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Individual Income Tax Returns 1987

Returns Filed, Sources of Income, Exemptions, Itemized Deductions, and Tax Computations

Statistics of Income Division
Internal Revenue Service
Publication 1304 (Rev. 8-90)
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Department
of the
Treasury
**Internal
Revenue
Service**

Individual Income Tax Returns

Publication 1304 (Rev. 8–90)

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This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax and taxpayments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Additional unpublished information from individual income tax returns classified by size of adjusted gross income, is available on a reimbursable basis. A public-use computer tape file, i.e., the Individual Tax File, containing the records selected for the Statistics of Income sample is also available on a reimbursable basis. This file is suitable primarily for making national level estimates.

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Section 1

Introduction and Changes in Law*

The statistics in this report are estimates based on a stratified probability sample of individual income tax returns, selected before audit, and represent coverage of approximately 107 million Forms 1040, 1040A and 1040EZ filed by taxpayers for Tax Year 1987.

Table A shows selected tax items for Tax Years 1975, 1980, 1985, 1986 and 1987. In addition, percentage changes between Tax Years 1986 and 1987 are shown. Between 1986 and 1987, the number of returns filed increased by almost 4 million, or 3.8 percent, and adjusted gross income (AGI) increased by more than 292 billion, or 11.8 percent. The income increase, however, was due primarily to the changes in the composition of AGI mandated by the Tax Reform Act of 1986, such as the inclusion of all capital gains and dividends in AGI beginning in 1987. New rules for passive losses, employee business expenses, individual retirement arrangement (IRA) contributions, and moving expenses also affected the calculation of AGI. In order to compare 1986 and 1987 income data meaningfully, total income was computed for both years in the same way by using the 1979 Income Concept (this income measure is explained later in this Section). When this recomputed total income using the 1979 Income Concept is compared for 1986 and 1987, the increase is only 2 percent. Total income tax (the sum of income tax after credits and the alternative minimum tax) rose by 0.5 percent for 1987 under the new, lower tax rates.

This report contains complete individual income tax data for Tax Year 1987, the first full year of transition under the Tax Reform Act of 1986. These data, as well as preliminary income tax data for Tax Year 1988, are also featured in the Spring 1990, Statistics of Income Bulletin [1].

REQUIREMENTS FOR FILING

The Internal Revenue Code of 1986, as amended, provided the legal basis for tax activity detailed in this volume. For Tax Year 1987 the principal criteria that determined the general filing requirements were gross income, filing status, marital status, age, and blindness. Gross income included all income received in the form of money, property, and services that was not expressly exempt from tax. Income thresholds for filing a return were increased for most taxpayers for 1987. In contrast, income thresholds were lowered for dependents, requiring many more of them to file returns. Generally, a U.S citizen or resident had to file a tax return if gross income for the year was at least as much as the amount shown for the appropriate filing status in the table below:

General Filing Requirements

Filing Status	1987 Gross Income
Single	
Under 65	$4,440
Under 65 and blind	4,900
65 or older	5,650
Married Filing Joint Return	
Both spouses under 65	7,560
Both spouses under 65 and one or both spouses blind	8,800
One spouse 65 or older	9,400
Both spouses 65 or older	10,000
Not living with spouse at end of year(or on date spouse died)	1,900
Married Filing Separate Return	
All--whether 65 or older or blind	1,900
Head of Household	
Under 65	4,440
Under 65 and blind	6,300
65 or older	7,050
Qualifying Widow(er)	
Under 65	5,660
Under 65 and blind	6,900
65 or older	7,500

*This report was prepared under the direction of Jeffrey Hartzok, Chief, Returns Analysis Section, Individual Statistics Branch. Contributions to the text were made by Louella Ballenger and Mike Strudler. June Walters was responsible for overall production.

Table A.—Selected Income and Tax Items for Selected Years, 1975–1987

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1975	1980	1985	1986	1987	Percent change, 1986 to 1987
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	82,229,332	93,902,469	101,660,287	103,045,170	106,996,270	3.8%
Form 1040 returns	54,527,726	57,122,592	67,006,425	68,909,828	71,032,103	3.1
Form 1040A returns	27,701,606	36,779,877	18,124,702	17,584,689	17,446,685	-0.8
Form 1040EZ returns	N/A	N/A	16,529,160	16,550,653	18,517,482	11.9
Total income, amount	962,886,872	1,642,345,558	2,401,033,782	2,580,689,275	2,803,940,526	8.7
Adjusted gross income less deficit	947,784,873	1,613,731,497	2,305,951,483	2,481,681,046	2,773,824,198	11.8
Salaries and wages						
Number of returns	73,520,046	83,802,109	87,198,001	88,217,638	90,984,304	3.1
Amount	795,399,462	1,349,842,802	1,928,200,978	2,031,025,984	2,163,905,509	6.5
Taxable interest received						
Number of returns	40,378,240	49,019,575	64,526,434	65,236,518	67,933,810	4.1
Amount	43,433,554	102,009,444	182,109,194	167,640,438	168,966,067	0.8
Dividends in adjusted gross income						
Number of returns	8,853,491	10,738,982	15,527,579	16,753,537	22,324,321	33.3
Amount	21,892,126	38,761,253	55,046,351	61,623,348	66,791,158[1]	8.4
Business or profession net income less loss.						
Number of returns	7,242,542	8,881,119	11,900,341	12,360,345	13,002,055	5.2
Amount	39,421,478	55,129,154	78,772,577	90,423,763	105,460,627	16.6
Net Capital gain less loss.						
Number of returns	7,574,823	9,970,921	12,579,494	15,560,453	15,450,141	-0.7
Amount	14,071,893	30,029,074	68,277,779	132,841,678	137,398,726[2]	3.4
Pensions and annuities in adjusted gross income						
Number of returns	5,088,937	7,373,704	13,133,295	14,771,235	16,497,586	11.7
Amount	20,886,871	43,339,736	95,096,003	107,696,794	124,754,833	15.8
Rents and royalties net income less loss.						
Number of returns	7,143,812	8,208,132	9,544,495	9,394,506	9,492,112	1.0
Amount	5,202,078	4,105,381	-12,963,726	-15,292,084	-9,254,758	39.5
Partnership and S Corporations net income less loss						
Number of returns	n.a.	n.a.	5,487,671	5,817,455	5,574,532	-4.2
Amount	12,811,091	10,099,346	-2,526,591	-5,859,500	24,314,070	N/A
Farm net income less loss.						
Number of returns	2,755,041	2,608,430	2,620,861	2,524,331	2,420,186	-4.1
Amount	3,563,325	-1,792,466	-12,005,483	-7,284,231	-1,323,464	81.8
Total statutory adjustments:						
Number of returns	9,024,255	13,148,919	37,763,418	38,034,061	11,620,127	-69.4
Amount	15,101,999	28,614,061	95,082,299	99,008,229	30,116,329	-69.6
Individual Retirement Arrangement.						
Number of returns	1,211,794	2,564,421	16,205,846	15,535,531	7,318,727	-52.9
Amount	1,436,443	3,430,894	38,211,574	37,758,393	14,065,722	-62.7
Self-employed (Keogh) retirement plan.						
Number of returns	595,892	568,936	675,822	773,296	759,083	-1.8
Amount	1,603,788	2,007,666	5,181,993	6,194,617	6,183,441	-0.2
Number of exemptions	212,202,596	227,925,098	244,180,202	245,752,978	217,495,163	-11.5
Total deductions						
Number of returns	81,585,541	88,491,251	96,848,626	98,180,981	106,005,861	8.0
Amount	233,181,778	346,000,155	554,733,523[3]	611,293,162[3]	607,223,513[4]	-0.7
Total itemized deductions.						
Number of returns	26,074,061	28,950,282	39,848,184	40,667,008	35,627,790	-12.4
Amount	122,260,601	218,028,139	405,023,525	447,057,972	392,020,128	-12.3
Medical and dental expense	11,422,312	14,972,082	22,926,214	25,112,007	17,151,819	-31.7
Taxes paid	44,141,289	69,404,275	128,084,618	143,446,005	119,388,068	-16.8
Interest paid	38,885,282	91,187,006	180,094,578	196,566,331	179,942,422	-8.5
Contributions	15,393,331	25,809,608	47,962,848	53,815,979	49,623,907	-7.8
Taxable income						
Number of returns	65,852,602	88,104,696	96,124,046	97,358,296	90,079,102	-7.5
Amount	595,492,866	1,279,985,360	1,820,740,833	1,947,024,584	1,850,597,119	-5.0
Income tax before credits.						
Number of returns	65,854,734	76,135,819	85,994,216	86,600,724	89,717,924	3.6
Amount	132,452,044	256,294,315	332,165,333	367,591,995	373,857,125	1.7
Total tax credits.	8,069,846	7,215,839	10,248,044	7,020,731	6,329,438	-9.8
Child care credit	N/A	956,439	3,127,702	3,397,090	3,438,314	1.2
Credit for the elderly and disabled	128,968	134,993	108,642	85,763	66,633	-22.3
Foreign tax credit	381,985	1,341,675	782,561	773,939	1,099,484	42.1
Income tax after credits	124,382,197	249,078,475	321,917,289	360,571,264	367,527,687	1.9
Total income tax						
Number of returns	61,490,737	73,906,244	82,846,420	83,967,413	86,723,796	3.3
Amount	124,526,297	250,341,440	325,710,254	367,287,213	369,202,757	0.5

n.a. Not available
N/A Not applicable
[1] Represents total dividends
[2] Represents total capital gains.
[3] Includes total itemized deductions, charitable contributions for nonitemizers, and zero bracket amount on nonitemized deductions.
[4] Includes total itemized deductions, and basic and additional standard deductions (zero bracket amount in lieu of standard deduction for prior year returns).
NOTE Detail may not add to total because of rounding

Dependents Filing Requirements

Dependents who could be claimed by another taxpayer (such as a parent) were required to file a return if they had:

(1) Earned income only and gross income was more than the amount listed in the following table:

Filing Status	Amount
Single	
Under 65	$2,540
Either 65 or older or blind	3,750
65 or older and blind	4,500
Married Filing Separate Return*	
Under 65	1,880
Either 65 or older or blind	3,100
65 or older and blind	3,700

*If a dependent's spouse itemizes deductions on a separate return, the dependent must file if he or she had at least $5 of gross income (earned or unearned).

(2) Unearned (investment-type) income only and gross income is more than the amount shown in the following table:

Filing Status	Amount
Single	
Under 65	$ 500
Either 65 or older or blind	1,250
65 or older and blind	2,000
Married Filing Separate Return*	
Under 65	500
Either 65 or older or blind	1,100
65 or older and blind	1,700

*If a dependent's spouse itemizes deductions on a separate return, the dependent must file if he or she had at least $5 of gross income (earned or unearned).

(3) Both earned income and any unearned (investment-type) income and gross income is more than the amount shown in the following table:

Filing Status	Amount
Single	
Under 65	$ 500
Either 65 or older or blind, the total of:	
a) earned income (up to $3,000) or $500, whichever is greater, plus	
b) $750 ($1,500 if 65 or older and blind)	
Married Filing Separate Return	
Under 65	$ 500
Either 65 or older or blind, the total of:	
a) earned income (up to $2,500) or $500, whichever is greater, plus	
b) $600 ($1,200 if 65 or older and blind)	

In addition to these filing requirements, there were five others. An individual also had to file a return for Tax Year 1987 if that individual:

(1) was liable for any of the following taxes:

- social security tax on unreported tip income (tips not reported to his or her employer);
- uncollected social security tax or Railroad Retirement Tax Act (RRTA) tax on reported tip income;
- alternative minimum tax;
- tax on an Individual Retirement Arrangement (IRA); or
- tax from recapture of investment credit;

(2) received advanced earned income payments;

(3) had net earnings of at least $400 from self-employment income;

(4) had wages of $100 or more from a church or qualified church-controlled organization that was exempt from employer social security taxes; or

(5) had gross income of at least $1,900 and excluded income from sources within American Samoa.

These filing requirements applied to all U.S. citizens, residents of Puerto Rico, resident aliens for the entire tax year, certain dual-status taxpayers, and certain nonresident aliens married to U.S. citizens or residents at the end of 1987.

Data shown in these tables cover individuals who were not required to file tax returns but did so for any reason, such as to obtain refunds (generally of tax withheld) or to take advantage of the earned income credit.

Most taxpayers were required to file tax returns within 3-1/2 months after the close of their accounting periods. Since most individuals use a calendar year period, nearly all returns were due by April 15, 1988. However, each taxpayer could be granted, upon request, one automatic 4-month extension of time to file. U.S. citizens residing or traveling outside the United States and Puerto Rico on the due date were automatically granted (without requesting) a 2-month

extension. In addition, a taxpayer could petition the IRS for an additional extension beyond the automatic ones cited above. However, this extension had to be approved by the Internal Revenue Service (IRS).

CHANGES IN LAW

The Tax Reform Act of 1986 amended, added to, or repealed provisions of the tax code, including those of the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the 1983 Social Security Amendments Act and Railroad Retirement Solvency Act, and the Tax Reform Act of 1984. The tax code is now called the Internal Revenue Code of 1986 because of the sweeping changes of the new Act. For 1987, the new law not only made major changes in tax rates and filing requirements, but also in the definitions of income, adjustments to income, deductions, and personal exemptions. Most of these tax law changes pertaining to 1987 individual returns are reflected in this report.

All major changes in effect for Tax Year 1987 that are included in Statistics of Income data are listed below in alphabetical order. Section 5 contains more detailed explanations and definitions of terms used in this report.

Alimony

For 1987, large payments made to a spouse or former spouse in the first 3 years (6 years in 1986) under a divorce or separation instrument were not fully deductible as alimony if the payments exceeded certain amounts.

Alternative Minimum Tax

For 1987, the starting point in calculating alternative minimum taxable income was taxable income, whereas for 1986 it was AGI. Taxpayers had to increase their regular taxable income for 1987 by the amount of their tax preferences and adjustments (including an adjustment to the net operating loss deduction) to arrive at "alternative minimum taxable income." There were also changes to the list of adjustments and tax preference items, since some exclusions, such as the 60-percent capital gains exclusion, were eliminated.

In addition, the alternative minimum tax rate was increased for 1987 from 20 to 21 percent of the alternative minimum taxable income in excess of an exemption amount that was unchanged from 1986. The exemption amount was phased out if the taxpayer's alternative minimum taxable income exceeded $150,000 (married filing jointly), $112,500 (single), or $75,000 (married filing separately).

Capital Gains and Losses

Long-term (assets held over 6 months): For 1987, the 60-percent exclusion of long-term capital gains was repealed so that the full amount of capital gains was included in AGI. However, for 1987 only, the maximum tax rate on long-term capital gains was limited to 28 percent (up from 20 percent in 1986), compared to the top rate of 38.5 percent on ordinary income for 1987.

Long-term capital losses for 1987 were no longer reduced by 50 percent, but could be applied in full against ordinary income (subject to an annual limit of $3,000).

Charitable Contributions

For 1986, individuals who did not itemize their deductions could deduct 100 percent of their charitable contributions from their AGI. However, this provision expired and, beginning in 1987, individuals could claim charitable contributions only as an itemized deduction on Schedule A (Form 1040).

Dependents

For 1987, filing thresholds for dependents were reduced, especially for those with earned income. Children and others eligible to be claimed as dependents were required to file a return if all their income was "earned" (such as salaries and wages), and it exceeded $2,540, or if their gross income was more than $500 and any of it was "unearned" income (such as interest or dividends). Regardless of income level, dependents could not claim an exemption for themselves on their return if they could be claimed as a dependent on their parents' return. Previously, dependents who filed returns could be claimed as a dependent and still claim an exemption for themselves. Also, if gross income was $1,900 or more, children over 19 (unless the child qualified as a student) could not be claimed as dependents.

In addition, beginning in 1987, children under the age of 14 with investment income exceeding $1,000 generally had that income taxed as if that income had been included on the parents' return.

Dividends

All dividends were taxable in 1987. Previously, an exclusion of up to $100 ($200 on joint returns) was allowed.

Earned Income Credit

Both the rate and base for the earned income credit was increased. For 1987, the credit was 14 percent of the first $6,075 of

an eligible individual's "earned income." If earnings or AGI exceeded $6,924, the credit was reduced by 10 percent of this excess. As a result, if AGI or earned income exceeded $15,432 the credit was completely eliminated. For 1987, the maximum credit was $851 compared to $550 for 1986. Under prior law, the earned income credit generally equaled 11 percent of the first $5,000 of earned income, and it was completely phased out at $11,000.

Employee Business Expenses

For 1987, only reimbursed business expenses could be claimed as an adjustment to AGI. Unreimbursed employee business expenses had to be deducted as a "miscellaneous" itemized deduction on Schedule A. The total of all miscellaneous deductions was further limited to the amount exceeding 2 percent of AGI.

Additional restrictions beginning with 1987 were placed on employee business expense claims for meals, entertainment, and travel.

- Meals and Entertainment: Only 80 percent of the cost of qualified meals or entertainment was deductible, whereas the full cost was deductible under prior law. To qualify as a deduction, the meal had to be directly related to the active conduct of the taxpayer's business.

- Travel: For 1987 investment seminar expenses and expenses for travel used as a form of education were no longer deductible, and the deduction for travel by cruise ship was limited. Previously, these expenses had been fully deductible.

Exemptions

The amount of each individual personal exemption increased from $1,080 for 1986 to $1,900 for 1987, but the extra taxpayer exemptions for age and blindness were eliminated and replaced by larger standard deductions amounts.

Rules for claiming exemptions for dependents were changed for 1987. If children or other dependents could be claimed as exemptions by other taxpayers, they could not claim an exemption for themselves if they filed their own return. Taxpayers could not claim an exemption for a dependent who had gross income of $1,900 or more unless the dependent was the taxpayer's child who was either under age 19 or a student. If the child qualified as a student, the gross income or age test did not apply.

Foreign Earned Income

The annual limit on the foreign earned income exclusion from AGI was decreased to $70,000 for 1987 from $80,000 for 1986.

General Business Credit

Two credits were added by the Tax Reform Act of 1986 -- the low-income housing credit and the research credit. The 10-percent investment credit was repealed for property placed in service after 1985 except for several limited exceptions. Taxpayers were allowed to claim unused credits carried over from 1985 on their 1987 tax returns. The amount of unused credits that could be claimed for 1987 was reduced by about 17.5 percent.

Income Averaging

Income averaging was repealed for 1987.

Individual Retirement Arrangements (IRAs)

The IRA contribution adjustment was limited or disallowed for middle- and upper-income taxpayers who were covered by employer-provided pension plans, although the tax-deferral feature was still allowed for income earned on nondeductible contributions which continued to be permitted. For 1986, IRA contributions were deductible regardless of income level or pension coverage. The amount of the allowable deduction for 1987 IRA contributions depended on the following criteria:

- Full Deduction: IRA contributions up to $2,000 a year ($2,250 for a spousal IRA) were fully deductible if the taxpayer (and spouse, if filing jointly) did not belong to a company-funded retirement plan or, if the taxpayer (or spouse) did belong to a company retirement plan and his or her AGI (excluding any adjustments for IRAs) was less than $25,000 (less than $40,000 if taxpayer and spouse filed jointly).

- Partial Deduction: The maximum amount of the allowable deduction for the IRA contribution was phased out (in some cases permitting a partial deduction) for taxpayers with AGI from $25,000 to $35,000 ($40,000 to $50,000, if taxpayer and spouse filed jointly) when a taxpayer (or spouse) belonged to a company retirement plan.

- No Deduction: IRA contributions were not deductible if the taxpayer (or spouse, if filing jointly) belonged to a company retirement plan and AGI was greater than $35,000 ($50,000 for joint returns).

Interest Paid Deduction

Only 65 percent of "personal" interest (e.g., credit card interest, revolving charge account interest, and interest on bank loans) was deductible for 1987, whereas for 1986 all of it was deductible.

The mortgage interest deduction was limited for 1987 to the amounts paid on a "qualified" principal and second residence, and to the interest associated with debt no greater than the cost of the residence plus improvements and mortgage loans taken to pay for qualified medical and educational expenses. These limits applied to debt that was assumed after August 16, 1986.

Married Two-Earner Couple Deduction

This deduction was repealed for 1987.

Medical and Dental Expenses

The deduction for medical and dental expenses was limited to expenses in excess of 7.5 percent of AGI for 1987 compared to 5 percent for 1986.

Miscellaneous Itemized Deductions

For 1987 there were two tiers of "miscellaneous" itemized deductions. The first tier applied to those expense items that were fully deductible, such as gambling losses (limited to gains) and amortizable bond premiums. The second tier was for expenses, such as unreimbursed employee travel and entertainment expenses, that were subject to a new 2 percent of AGI floor. In addition, new restrictions were placed on claims for meals, entertainment, and travel. The full amount had been deductible as an adjustment to AGI for 1986.

Moving Expenses

Moving expenses became an itemized deduction for 1987. These were taken as an adjustment to income in 1986.

Passive Losses

Beginning with 1987, losses generated by any trade, business, or rental activity in which the taxpayer did not "materially participate" were considered "passive" losses and could be used to offset income from other passive activities only. Under the previous law, any business losses could be used to offset income from any other activity.

An exception to this limitation was made for taxpayers with passive losses from rental real estate activities in which they were actively involved. Net losses up to $25,000 could be deducted from nonpassive income, such as wages or dividends. For taxpayers whose AGI exceeded $100,000, the $25,000 exception was reduced by 50 percent of the amount of AGI that exceeded $100,000. This effectively eliminated the $25,000 exception for taxpayers with an AGI of $150,000 or more.

Taxpayers who entered into passive activities before October 23, 1986 were allowed a 5-year phase in of the limitations on losses. This phase in provided a diminishing percentage of passive losses to offset nonpassive income and taxes. Sixty-five percent of passive activity losses from such interests were allowed to offset nonpassive income for 1987. Passive activity losses disallowed for 1987 by the limitation could be carried forward to offset passive income in future years. Upon disposition of the taxpayer's entire interest in the activity, remaining passive losses can offset nonpassive income.

Most of the nondeductible passive losses were concentrated in partnerships, S corporations, and rental activities.

Pensions and Annuities

After July 1, 1986, a retiree could not use the "Three-Year Rule" which had allowed the total qualified pension or annuity payments (received in the first 3 years) to be excluded from income until the retiree's contributions were recovered, provided that all of the retiree's contributions were actually recovered in those 3 years. Under the 1986 Act, a retiree was required to report payments under the "General Rule" which provided that the nontaxable portion be recovered over the expected lifetime of the taxpayer.

Also, if an individual withdrew taxable amounts from a qualified retirement plan (including IRAs) before reaching age 59-1/2, these amounts were generally subject to an additional 10 percent tax. This 10 percent tax was in addition to any income tax due on the withdrawals. Before 1987, the 10 percent additional tax applied only to premature withdrawals from IRAs.

Beginning in 1987, a "simplified employee pension" (SEP) could include a salary reduction arrangement under which an employer could make contributions to the SEP out of the employee's salary. Also, employer SEP contributions no longer had to be included in the employee's gross income. For 1986 these contributions were included in income, but then could be subtracted as part of the IRA adjustment.

Political Contributions Credit

This credit was repealed for 1987.

Sales Taxes

The deduction for State and local sales taxes was repealed for 1987.

Self-Employed Health Insurance

For 1987, self-employed taxpayers could deduct as an adjustment to income up to 25 percent of the amount they paid for medical insurance for themselves and their families. They were not allowed this deduction if they or their spouses were eligible to participate in an employer-subsidized health plan. The balance of the cost could be included with other medical care expenses and deducted as an itemized deduction subject to the 7.5 percent limitation.

Standard Deduction

For 1987, the "zero bracket amount" (ZBA), i.e., income "taxed" at a rate of zero percent, was replaced by a standard deduction. Unlike the ZBA, the standard deduction was not incorporated into the tax tables and tax rate schedules, but instead, had to be specifically deducted in computing taxable income. For 1987, taxpayers subtracted the larger of the standard deduction or total itemized deductions.

Taxpayers age 65 or over or who were blind were allowed a higher basic standard deduction as well as an additional deduction amount for each taxpayer age 65 or over or blind. Prior to 1987, additional benefits for the aged and blind had been in the form of extra personal exemptions.

For 1987, the amount of the basic standard deduction allowable for age or blindness was $3,000 for single taxpayers, $5,000 for married taxpayers filing jointly, $2,500 for those married taxpayers who filed separately, and $4,400 for those who were heads of household. The amount of each deduction for age or blindness added to the higher basic standard deduction was $750 for single or head of household filers and $600 for married filers.

Statutory Adjustments

For 1987, the adjustments for moving expenses, employee business expenses, and IRA contributions were modified. A health insurance deduction for the self-employed was added. See each adjustment (described above) for a more complete explanation.

Tax-Exempt Interest

Beginning with 1987, tax-exempt interest on state or local government obligations had to be shown on Federal income tax returns, even though it generally was not subject to Federal taxation.

Tax Rates

There were five tax brackets for 1987 instead of 14 or 15 for 1986. For 1987 tax rates ranged from 11 percent to 38.5 percent and for 1986 from 11 percent to 50 percent.

Unemployment Compensation

For 1987, all unemployment compensation was included in AGI, whereas for 1986 all or part of unemployment compensation was excluded depending on the taxpayers' filing status and income level.

RETROSPECTIVE INCOME CONCEPT

In order to analyze changes in income and assess the impact of taxes, an income concept with a consistent definition of income must be used. The income concept available from Federal income tax returns, adjusted gross income (AGI), was designed for tax administration and its definition changes to reflect tax law. New tax laws of the 1980's--the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Tax Reform Act of 1986--made significant changes to the components of adjusted gross income (AGI), making it difficult to use AGI for accurate comparisons of income from year to year.

For this reason, it was decided to develop an income definition that would be applicable over several years and allow comparisons both before and after the major tax legislation of the 1980's. This new income concept would be calculated using data available only from individual income tax returns. (For a more complete explanation of other income concepts see Appendix A of Section 4, "High Income Returns: Taxable and Nontaxable" in this report.)

The "retrospective" income definition that was developed was called the "1979 Income Concept" and reflected the base period 1979 through 1986. Using this base period and the data reported on individual tax returns, this new income measure could be defined consistently across all these years. Also, by continuing to include the same components that were common to all years, the retrospective income definition could be used to compare income of future years to income for these prior base years [2].

The calculation of the 1979 Income Concept is shown in Figure 1 with those income items that could be identified from income tax returns for the base years included. Several items partially excluded from AGI for the base years were fully included in this new income measure, the largest of which was the capital gains exclusion. The full amount of all

capital gains, as well as all dividends and unemployment compensation were added to the calculation. Total pensions, annuities, IRA distributions, and rollovers were added, including the nontaxable portion that was excluded from AGI. Also, any depreciation deduction in excess of straight-line depreciation subtracted in computing AGI was added back. Adjustments that could be subtracted from the 1979 Income Concept calculation were limited to employee business expenses, alimony paid, and moving expenses. Social security benefits, although obviously income, were omitted because they were not potentially subject to tax or even partially included on the tax return until 1984.

Figure 1.--Calculation of the 1979 Income Concept for 1987

1979 TOTAL INCOME =

Salaries and wages*
+ Interest*
+ Dividends (without any exclusion)*
+ Alimony received*
+ Capital gains (without any exclusion) and allowable losses*
+ Capital gains not reported on Schedule D (without any exclusion)*
+ Other gains or losses (Form 4797)*
+ Net business income or loss*
+ Net farm income or loss*
+ Net rent income or loss*
+ Net royalty income or loss*
+ Net partnership income or loss*
+ Net Subchapter S Corporation income or loss*
+ Net farm rental income or loss*
+ Net estate and trust income or loss*
+ Unemployment insurance income reported*
+ Depreciation in excess of straight-line depreciation**
+ Total pension income reported**
+ Net other income*

LESS
+ Disallowed passive losses**
+ Moving expenses**
+ Employee business expenses (includes both reimbursed and unreimbursed)**
+ Alimony paid*

*Included in Tax Year 1987 AGI.
**Not fully included in AGI for Tax Year 1987.

The Tax Reform Act of 1986 made changes in the calculation of AGI that made it necessary to revise the calculation of the 1979 Income Concept for 1987 in order to make it comparable to 1986. The new law limited the deduction of passive losses and eliminated unreimbursed business expenses and moving expenses as adjustments in figuring AGI. Since passive losses had been fully deductible for both income measures prior to 1987, the disallowed passive losses for 1987 had to be accounted for in the 1979 Income Concept calculation of 1987 income. Unreimbursed business expenses were allowed only as an itemized deduction limited to the amount exceeding 2 percent of AGI under the new rules for 1987. In order to be consistent with prior years, the full amount of unreimbursed business expenses reported as an itemized deduction for 1987 was added to the reimbursed business expense adjustment in the calculation of the 1979 Income Concept. The new law also changed moving expenses from an adjustment in AGI for 1986 to an itemized deduction for 1987.

COMPARISON OF AGI AND 1979 INCOME CONCEPT

The Tax Reform Act of 1986 made extensive changes in the composition of AGI for Tax Year 1987. The Act incorporated into AGI most of the income items included in the 1979 Income Concept. Income, such as capital gains, that had been partially excluded from AGI under prior law was now fully included, and certain deductions were eliminated or limited. For this reason, a comparison of 1986 and 1987 income and tax data using AGI is misleading. However, the 1979 Income Concept, which permits income to be measured in the same way for 1986 and 1987, could be used to make a more accurate comparison of these two years.

Table B shows the differences in income and selected tax items for 1987 under AGI and the 1979 Income Concept. This difference, which had been most pronounced in past years at income levels of $200,000 or more, was much less for 1987 with the elimination of preferential treatment of various income items, such as the exclusion of capital gains. In prior years, the capital gains exclusion accounted for the largest difference between the two income measures.

Although total income for all return, using the 1979 Income Concept, increased 2 percent for 1987, total income for the highest income group -- $200,000 and above -- declined from $351.9 billion for 1986 to $284.7 billion for 1987. This drop in total income can be traced in part to the 66 percent decline from 1986 in capital gains, which made up a larger proportion of income for this group. This large decline for 1987 followed a substantial jump in capital gains for 1986, the last year in which taxpayers could exclude 60 percent of their capital gains from income. As a percentage of total income for all returns, the income of the $200,000 and over class fell over 20 percent from 1986 to 1987, but income taxes for this group, as a percentage of total income taxes, fell only 7 percent in the same time period.

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1987

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Total income				Salaries and wages			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	106,996	2,773,824	106,996	2,813,525	90,984	2,163,906	90,984	2,163,906
Under $10,000	33,514	120,451	33,216	116,528	26,075	126,156	25,901	124,218
$10,000 under $20,000	25,236	370,660	25,095	368,972	20,884	286,699	20,738	284,292
$20,000 under $30,000	16,551	408,648	16,759	414,138	14,938	341,885	14,962	340,723
$30,000 under $40,000	11,605	402,501	11,635	403,601	10,712	343,052	10,716	340,526
$40,000 under $50,000	7,863	350,410	7,968	355,138	7,309	297,559	7,477	303,583
$50,000 under $60,000	4,581	249,478	4,578	249,602	4,265	210,357	4,285	211,662
$60,000 under $70,000	2,668	172,159	2,594	167,381	2,465	140,465	2,397	136,472
$70,000 under $80,000	1,514	112,840	1,507	112,427	1,379	89,409	1,387	88,420
$80,000 under $90,000	860	72,721	877	74,138	770	54,791	782	55,494
$90,000 under $100,000	552	52,279	582	55,162	487	37,360	519	38,401
$100,000 under $125,000	750	83,234	775	86,044	626	53,719	660	54,968
$125,000 under $150,000	384	52,411	412	56,381	319	31,989	344	32,704
$150,000 under $175,000	226	36,475	237	38,233	191	21,636	200	20,683
$175,000 under $200,000	154	28,854	166	31,102	121	15,915	131	16,505
$200,000 under $300,000	276	66,167	304	73,218	226	36,881	249	38,065
$300,000 under $400,000	103	35,243	113	38,652	83	18,690	92	19,224
$400,000 under $500,000	51	22,663	53	23,781	42	11,965	45	11,699
$500,000 under $1,000,000	75	50,898	84	56,129	62	23,517	68	23,865
$1,000,000 or more	35	85,733	39	92,898	29	21,860	33	22,403

Size of income	Taxable interest received				Dividends in AGI		Dividends received	
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	67,934	168,966	67,934	168,966	22,324	66,791	22,324	66,791
Under $10,000	14,811	21,616	14,543	21,389	3,432	4,068	3,316	4,074
$10,000 under $20,000	13,848	29,571	13,690	29,184	3,464	6,791	3,352	6,526
$20,000 under $30,000	11,372	20,648	11,572	22,300	3,204	6,100	3,316	6,796
$30,000 under $40,000	9,402	17,316	9,443	17,957	3,130	5,854	3,169	6,374
$40,000 under $50,000	6,925	14,269	7,016	13,884	2,612	5,237	2,649	5,117
$50,000 under $60,000	4,207	9,994	4,203	9,898	1,913	4,355	1,889	4,209
$60,000 under $70,000	2,540	7,902	2,468	7,160	1,301	3,653	1,258	3,514
$70,000 under $80,000	1,441	5,371	1,439	5,028	848	2,756	844	2,571
$80,000 under $90,000	841	4,124	858	4,050	546	2,297	565	2,102
$90,000 under $100,000	534	2,827	562	3,004	352	1,817	356	1,754
$100,000 under $125,000	731	5,679	756	5,583	513	3,670	533	3,483
$125,000 under $150,000	376	3,743	403	3,788	275	2,250	292	2,412
$150,000 under $175,000	221	2,462	231	2,302	169	1,548	171	1,433
$175,000 under $200,000	152	2,158	164	2,211	115	1,501	125	1,514
$200,000 under $300,000	272	4,875	300	4,827	225	3,543	245	3,564
$300,000 under $400,000	102	2,717	112	2,763	84	1,899	90	1,845
$400,000 under $500,000	50	1,652	53	1,649	44	1,212	47	1,175
$500,000 under $1,000,000	75	4,133	83	4,126	66	2,899	73	2,957
$1,000,000 or more	35	7,909	39	7,864	32	5,340	34	5,373

Size of income	Business net income less loss				Sales of capital assets			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	13,002	105,461	13,002	105,461	15,450	137,399	15,450	137,399
Under $10,000	2,933	2,024	2,874	1,780	2,199	7,104	2,111	7,133
$10,000 under $20,000	2,457	11,696	2,428	11,177	2,332	3,620	2,223	3,527
$20,000 under $30,000	2,189	13,847	2,189	13,767	2,142	4,255	2,238	4,372
$30,000 under $40,000	1,729	11,412	1,736	10,888	2,033	4,619	1,994	4,711
$40,000 under $50,000	1,214	10,270	1,223	10,115	1,627	5,075	1,706	5,167
$50,000 under $60,000	745	8,122	760	7,851	1,292	5,317	1,268	4,799
$60,000 under $70,000	501	6,788	492	6,714	936	4,704	887	4,870
$70,000 under $80,000	324	6,470	324	6,031	630	4,058	639	3,901
$80,000 under $90,000	192	4,048	204	4,158	457	3,925	462	3,700
$90,000 under $100,000	128	3,236	142	3,571	322	3,247	328	3,183
$100,000 under $125,000	212	7,117	220	6,783	487	7,601	501	7,625
$125,000 under $150,000	111	4,844	117	5,094	260	5,543	288	5,198
$150,000 under $175,000	66	2,807	74	3,456	163	5,006	181	5,165
$175,000 under $200,000	47	2,593	50	2,455	119	4,234	130	4,197
$200,000 under $300,000	77	3,919	88	4,841	221	10,456	247	10,640
$300,000 under $400,000	29	2,049	29	2,253	85	6,717	90	6,594
$400,000 under $500,000	13	849	15	934	44	4,933	46	4,918
$500,000 under $1,000,000	22	1,663	24	1,835	68	12,636	74	12,860
$1,000,000 or more	11	1,708	13	1,757	33	34,349	36	34,838

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1987

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Rents, royalties and farm rental net income less loss				Partnership and S Corporation net income less loss			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns, total	9,892	−7,323	9,892	−7,323	5,575	24,314	5,575	24,314
Under $10,000	1,460	−3,235	1,425	−3,400	642	−17,047	645	−17,953
$10,000 under $20,000	1,622	−122	1,573	−61	602	396	560	206
$20,000 under $30,000	1,521	−1,541	1,543	−1,412	635	658	634	707
$30,000 under $40,000	1,307	−1,430	1,296	−1,152	610	1,189	626	1,167
$40,000 under $50,000	1,047	−1,260	1,111	−1,466	566	879	571	799
$50,000 under $60,000	777	−1,391	769	−1,229	457	1,038	458	1,356
$60,000 under $70,000	565	−1,033	512	−1,037	345	1,327	324	844
$70,000 under $80,000	329	−848	349	−872	272	683	274	762
$80,000 under $90,000	253	−206	255	−176	215	747	220	721
$90,000 under $100,000	169	161	182	32	163	1,512	165	1,390
$100,000 under $125,000	259	321	276	113	285	1,980	287	2,073
$125,000 under $150,000	153	170	154	298	187	2,593	197	2,554
$150,000 under $175,000	94	304	96	224	118	1,995	117	1,969
$175,000 under $200,000	64	147	67	122	88	1,894	95	2,014
$200,000 under $300,000	131	681	140	719	184	4,292	189	4,723
$300,000 under $400,000	51	337	52	274	75	2,185	76	2,307
$400,000 under $500,000	26	286	27	317	39	1,378	39	1,548
$500,000 under $1,000,000	41	619	43	608	61	4,320	64	4,592
$1,000,000 or more	20	717	22	774	30	12,294	33	12,535

Size of income	Nondeductible passive losses				Estate or trust net income less loss			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	1,953	13,882	1,953	13,882	796	4,324	796	4,324
Under $10,000	159	3,542	184	4,711	147	19	150	−8
$10,000 under $20,000	136	324	131	417	123	358	118	402
$20,000 under $30,000	172	505	169	418	103	445	108	459
$30,000 under $40,000	170	481	168	370	87	311	87	291
$40,000 under $50,000	156	353	160	427	65	248	65	212
$50,000 under $60,000	152	450	144	337	43	275	49	267
$60,000 under $70,000	131	360	125	326	47	130	42	162
$70,000 under $80,000	115	375	122	324	32	193	28	124
$80,000 under $90,000	110	366	105	406	18	58	16	56
$90,000 under $100,000	66	294	61	242	15	120	14	212
$100,000 under $125,000	128	721	128	664	30	331	33	311
$125,000 under $150,000	108	716	107	572	21	201	22	211
$150,000 under $175,000	77	513	73	465	11	87	12	95
$175,000 under $200,000	54	579	56	412	9	96	9	79
$200,000 under $300,000	106	1,148	106	1,098	20	282	20	281
$300,000 under $400,000	43	698	43	589	8	104	8	106
$400,000 under $500,000	22	433	20	345	5	95	5	103
$500,000 under $1,000,000	33	921	34	807	7	319	7	308
$1,000,000 or more	15	1,102	16	949	4	650	5	651

Size of income	Pensions and annuities in AGI		Pensions and annuities		Total statutory adjustments			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	16,498	124,755	17,826	171,840	11,620	30,116	10,469	29,944
Under $10,000	3,146	11,953	3,074	12,110	921	1,550	705	1,224
$10,000 under $20,000	4,386	29,765	4,403	30,267	1,934	3,100	1,619	2,522
$20,000 under $30,000	2,624	20,664	2,925	24,185	2,504	4,737	2,267	4,155
$30,000 under $40,000	2,047	17,063	2,285	20,923	2,305	4,912	2,112	4,430
$40,000 under $50,000	1,624	14,157	1,795	16,451	1,658	3,306	1,660	3,624
$50,000 under $60,000	970	8,659	1,072	10,106	621	1,785	572	1,911
$60,000 under $70,000	620	6,587	722	8,539	432	1,522	338	1,295
$70,000 under $80,000	343	3,783	441	6,245	296	1,238	249	1,097
$80,000 under $90,000	198	2,699	249	4,315	186	880	172	895
$90,000 under $100,000	114	1,696	176	3,427	125	778	139	934
$100,000 under $125,000	170	2,670	248	5,225	220	1,402	208	1,543
$125,000 under $150,000	73	1,133	123	3,988	119	1,060	119	1,240
$150,000 under $175,000	45	788	76	3,180	74	714	78	860
$175,000 under $200,000	37	616	59	2,285	54	589	52	666
$200,000 under $300,000	53	1,028	90	5,823	92	1,104	98	1,578
$300,000 under $400,000	19	465	34	3,414	32	509	32	607
$400,000 under $500,000	9	243	15	1,540	15	255	15	339
$500,000 under $1,000,000	13	456	26	4,761	22	405	23	627
$1,000,000 or more	6	328	12	5,052	10	269	11	399

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1987

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Total itemized deductions				Taxable income			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(63)	(54)	(55)	(56)
All returns, total	35,628	392,020	35,628	392,020	90,079	1,850,597	90,079	1,850,597
Under $10,000	1,107	8,019	1,124	8,731	17,902	38,845	17,814	38,816
$10,000 under $20,000	3,782	25,056	3,735	24,916	24,107	191,070	23,864	188,431
$20,000 under $30,000	6,195	42,498	6,236	43,515	16,436	259,928	16,594	261,356
$30,000 under $40,000	7,182	56,824	7,094	56,380	11,579	270,914	11,592	271,405
$40,000 under $50,000	6,189	58,147	6,240	58,771	7,849	242,713	7,940	244,830
$50,000 under $60,000	3,994	43,473	3,989	43,622	4,574	177,708	4,564	176,858
$60,000 under $70,000	2,453	31,531	2,375	30,032	2,665	124,761	2,587	120,319
$70,000 under $80,000	1,418	21,334	1,396	20,531	1,512	82,378	1,501	80,623
$80,000 under $90,000	810	14,112	817	13,992	858	53,682	870	53,716
$90,000 under $100,000	525	9,973	551	10,271	551	39,113	578	39,910
$100,000 under $125,000	713	16,201	728	15,958	747	62,777	773	62,957
$125,000 under $150,000	366	10,047	390	10,048	383	40,169	411	40,980
$150,000 under $175,000	216	6,805	222	6,790	225	28,395	235	27,732
$175,000 under $200,000	150	5,405	159	5,410	153	22,587	166	23,153
$200,000 under $300,000	270	11,528	291	11,685	275	53,180	303	55,035
$300,000 under $400,000	101	6,067	110	6,249	103	28,627	112	28,862
$400,000 under $500,000	50	3,570	52	3,509	51	18,837	53	18,692
$500,000 under $1,000,000	74	7,803	82	7,845	75	42,795	83	43,714
$1,000,000 or more	35	13,625	39	13,764	35	72,121	39	73,211

Size of income	Total tax credits				Total income tax			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total	12,901	6,329	12,901	6,329	86,724	369,203	86,724	369,203
Under $10,000	1,493	274	1,475	271	16,204	4,786	16,132	4,907
$10,000 under $20,000	4,350	1,424	4,347	1,420	22,587	25,074	22,333	24,725
$20,000 under $30,000	1,956	898	1,968	893	16,341	38,410	16,498	38,697
$30,000 under $40,000	1,667	747	1,657	736	11,546	42,810	11,559	43,012
$40,000 under $50,000	1,301	594	1,299	594	7,839	41,346	7,929	41,706
$50,000 under $60,000	806	374	814	371	4,572	33,651	4,562	33,560
$60,000 under $70,000	458	232	447	217	2,665	26,064	2,586	25,058
$70,000 under $80,000	243	186	232	158	1,510	18,630	1,499	18,171
$80,000 under $90,000	149	118	160	110	859	12,968	871	12,964
$90,000 under $100,000	98	87	101	84	552	9,837	578	9,966
$100,000 under $125,000	125	186	124	150	748	16,704	772	16,649
$125,000 under $150,000	63	120	68	116	383	11,433	411	11,601
$150,000 under $175,000	40	108	43	100	226	8,391	236	8,095
$175,000 under $200,000	33	106	36	85	154	6,888	166	7,008
$200,000 under $300,000	53	176	59	243	276	17,075	303	17,426
$300,000 under $400,000	21	114	23	157	103	9,514	113	9,488
$400,000 under $500,000	12	61	12	65	51	6,389	53	6,300
$500,000 under $1,000,000	21	153	22	177	75	14,745	84	14,987
$1,000,000 or more	12	371	13	382	35	24,490	39	24,883

The average tax rates for 1986 and 1987 based on AGI and the 1979 Income Concept are compared in Figure 2. The change in tax rates move in opposite directions between the two years in the higher income classes, depending on the income measure used -- AGI or the 1979 Income Concept. Based on AGI, average tax rates declined at every income level from 1986 to 1987. The decrease was greatest at the higher income levels, with the rate for the highest income class--$1,000,000 and above --declining from 40.2 percent for 1986 to 28.6 percent for 1987. This large decrease, however, could be traced to the change in the composition of AGI under the provisions of the Tax Reform Act of 1986 that eliminated the 60 percent exclusion for capital gains and limited the deductibility of passive losses. With all capital gains included in AGI for 1987 and passive losses limited, AGI increased and average tax rates declined, especially for the higher income classes, which have a greater percentage of capital gains and passive losses.

In contrast, when income is computed in the same way for both years by using the 1979 Income Concept, average tax rates show a decline between 1986 and 1987 only for incomes below $60,000. At income levels of $60,000 and above the rate steadily climbs for 1987 to a high of 26.8 percent for the $1,000,000 and above class, an increase of 25 percent over the 1986 average tax rate of 21.4 percent for this class. This increase, despite new lower tax rates for 1987, reflected the elimination of preferential treatment of various income items, especially capital gains.

Figure 2.—Total Income Tax as a Percentage of Income, 1986 and 1987

Size of Income	Taxes as a percentage of adjusted gross income		Taxes as a percentage of 1979 Income Concept	
	1986	1987	1986	1987
	(1)	(2)	(3)	(4)
All returns, total	14.8%	13.3%	13.3%	13.1%
Under $10,000	4.3	4.0	4.9	4.2
$10,000 under $20,000	7.8	6.8	7.6	6.7
$20,000 under $30,000	10.6	9.4	10.0	9.3
$30,000 under $40,000	12.2	10.6	11.6	10.7
$40,000 under $50,000	13.8	11.8	12.6	11.7
$50,000 under $60,000	15.5	13.5	13.8	13.4
$60,000 under $70,000	16.9	15.1	14.9	15.0
$70,000 under $80,000	18.7	16.5	15.8	16.2
$80,000 under $90,000	19.9	17.8	16.7	17.5
$90,000 under $100,000	20.8	18.8	16.8	18.1
$100,000 under $125,000	23.1	20.1	18.3	19.3
$125,000 under $150,000	25.2	21.8	19.0	20.6
$150,000 under $175,000	28.0	23.0	19.3	21.2
$175,000 under $200,000	29.3	23.9	20.3	22.5
$200,000 under $300,000	31.1	25.8	22.6	23.8
$300,000 under $400,000	33.7	27.0	22.6	24.5
$400,000 under $500,000	36.2	28.2	23.4	26.5
$500,000 under $1,000,000	38.4	29.0	23.7	26.7
$1,000,000 or more	40.2	28.6	21.4	26.8

NOTES AND REFERENCES

[1] Strudler, Michael, and Ring, Emily, "Individual Income Tax Returns, Preliminary 1988", Statistics of Income Bulletin, Spring 1990, Volume 9, Number 4.

[2] Hostetter, Susan, "Measuring Income for Developing and Reviewing Individual Tax Law Changes; Exploration of Alternative Concepts," Statistics of Income and Related Administrative Record Research: 1986-1987, U.S. Department of the Treasury, Internal Revenue Service, 1987.

Section 2 Description of the Sample*

This section describes the sample criteria and selection, the method of estimation, and the sampling variability of the estimates contained in this report. It also describes the methodology needed to compute confidence interval estimates, as well as some of the limitations of the data. Statistical estimates included in this report are based on the tax return.

SAMPLE SELECTION

The statistics in this report were estimated from a stratified probability sample of unaudited Individual Income Tax Returns, Forms 1040, 1040A, and 1040EZ filed by U.S. citizens and residents. The sample was designated at the Martinsburg Computing Center and was processed at the ten Internal Revenue Service (IRS) Centers during Calendar Year 1988. The total sample of 125,888 returns was selected from a population of 107,173,062 returns.

All returns processed during 1988 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns along with those that contained no income information were excluded from the tables in this report. Sample returns representing 176,792 returns were excluded from the tables as a result.

The estimates in this report are intended to represent all returns filed for Tax Year 1987. While about 97 percent of the returns processed during Calendar Year 1988 were for Tax Year 1987, a few were for noncalendar years ending during 1987 and 1988 and some were returns for prior years. Returns for prior years were used in place of 1987 returns received and processed after December 31, 1988. This was done in the belief that the characteristics of returns due but not yet processed could best be represented by the returns for previous income years that were processed in 1988. Therefore, data for Tax Year 1987 may include amounts for discontinued items, such as the deduction for a working married couple, reported on prior year returns processed in 1988.

SAMPLE DESIGN AND SELECTION CRITERIA

Data from Forms 1040, 1040A, and 1040EZ processed to the IRS Individual Master File System at the National Computing Center during Calendar Year 1988 were classified, by computer, into sample strata. These strata were based on the larger of total income or total loss amounts and the size of business plus farm receipts. In addition, the strata were based on the presence or absence of a Form 2555, Foreign Earned Income; a Form 1116, Computation of Foreign Tax Credit; a Schedule C, Profit or (Loss) from Business or Profession; a Schedule F, Farm Income and Expenses; and Form 4835, Farm Rental Income and Expenses. Twenty variables were used to derive the total income and loss amounts.

Returns were then selected from the sample strata using two methodologies. One method used certain ending digits of the social security number (SSN), and the second method used ending digits of numbers generated from transformations of the SSN. The sampling rates for the various strata ranged from 0.03 percent to 100 percent.

Table C contains the number of returns in the population and sample-by-sample stratum for the United States and State groups. The State groups were formed on the basis of total number of Forms 1040, 1040A, and 1040EZ filed from each State. A comparison of the population counts in Table C with the total shown in the national tables of this report will disclose a small difference. This difference is the result of having excluded an estimated 176,792 returns (see above).

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*Bonnye Walker designed the sample under the direction of Susan Hostetter, Chief, Sample Redesign Team, Coordination and Publication Staff. Bonnye Walker and Karen O'Conor prepared the text and tables in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistics Team, Coordination and Publication Staff.

Table C.—Number of Forms 1040, 1040A and 1040EZ in the Population and Sample, 1987

Description of the sample strata		Number of Returns [1]					
		United States Total [2]		State Group A [3]		State Group C [4]	
		Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts
		(1)	(2)	(3)	(4)	(5)	(6)
Grand total		107,173,062	125,888	7,146,255	7,222	100,026,807	118,665
Form 1040 returns only with adjusted gross income of $200,000 and over with no income tax after credits and no additional tax for tax preferences, total		875	875 [5]	36	36	839	839 [5]
Form 1040 returns only with combined Schedule C (business or profession) net profit or net loss of $350,000 and over, total		9,593	9,593	531	531	9,062	9,062
Larger of total income amount or total loss amount	and Size of business receipts plus farm receipts						
Forms 1040 only with Form 2555, total		170,951	1,771	—	—	170,951	1,771
Under $50,000	Under $500,000	95,382	200	—	—	95,382	200
$50,000 under $100,000 Under $50,000	Under $500,000 $500,000 under $1,000,000	43,967	97	—	—	43,967	97
$100,000 under $500,000 Under $100,000	Under $1,000,000 $1,000,000 under $10,000,000	30,734	606	—	—	30,734	606
$500,000 under $2,000,000 Under $500,000	Under $10,000,000 $10,000,000 under $30,000,000	828	828	—	—	828	828
$2,000,000 and over Under $2,000,000	Any amount. $30,000,000 and over	40	40	—	—	40	40
Forms 1040 only with Form 1116, but without Form 2555, total		530,669	8,780	29,786	374	500,883	8,406
Under $50,000	Under $500,000	223,218	519	13,275	21	209,943	498
$50,000 under $100,000 Under $50,000	Under $500,000 $500,000 under $1,000,000	153,427	392	8,831	19	144,596	373
$100,000 under $500,000 Under $100,000	Under $1,000,000 $1,000,000 under $10,000,000	132,963	2,651	6,787	128	126,176	2,523
$50,000 under $2,000,000 Under $500,000	Under $10,000,000 $10,000,000 under $30,000,000	18,022	2,179	787	100	17,235	2,079
$2,000,000 and over. Under $2,000,000	Any amount $30,000,000 and over	3,039	3,039	106	106	2,933	2,933
Forms 1040 only with Schedule C, but without Form 2555 or Form 1116, total		13,192,242	23,473	966,954	1,486	12,225,288	21,987
Under $25,000	Under $200,000	5,852,455	3,212	455,035	270	5,397,420	2,942
$25,000 under $50,000 Under $25,000	Under $500,000 $200,000 under $500,000	4,321,638	4,775	324,282	363	3,997,356	4,412
$50,000 under $100,000 Under $50,000	Under $1,000,000 $500,000 under $1,000,000	2,247,741	4,795	143,062	305	2,104,679	4,490
$100,000 under $200,000 Under $100,000	Under $5,000,000 $1,000,000 under $5,000,000	567,351	2,365	33,750	130	533,601	2,235
$200,000 under $500,000 Under $200,000	Under $10,000,000 $5,000,000 under $10,000,000	162,964	1,942	8,888	111	154,076	1,831
$500,000 under $1,000,000 Under $500,000	Under $20,000,000 $10,000,000 under $20,000,000	26,944	1,078	1,315	50	25,629	1,028
$1,000,000 under $2,000,000 Under $1,000,000	Under $30,000,000 $20,000,000 under $30,000,000	8,797	2,637	419	122	8,378	2,515
$2,000,000 under $5,000,000 Under $2,000,000	Under $50,000,000 $30,000,000 under $50,000,000	3,367	1,684	153	85	3,214	1,599
$5,000,000 and over Under $5,000,000	Any amount $50,000,000 and over	985	985	50	50	935	935
Forms 1040 only with Schedule F, but without Form 2555, Form 1116, or Schedule C, total		1,885,673	3,303	178,736	244	1,706,937	3,059
Under $25,000	Under $200,000	841,669	270	88,894	32	752,775	238
$25,000 under $50,000 Under $25,000	Under $500,000 $200,000 under $500,000	657,765	493	58,943	43	598,822	450
$50,000 under $100,000 Under $50,000	Under $1,000,000 $500,000 under $1,000,000	291,151	374	23,006	25	268,145	349
$100,000 under $200,000 Under $100,000	Under $5,000,000 $1,000,000 under $5,000,000	63,418	177	5,558	15	57,860	162
$200,000 under $500,000 Under $200,000	Under $10,000,000 $5,000,000 under $10,000,000	24,095	337	1,836	23	22,259	314
$500,000 under $1,000,000 Under $500,000	Under $20,000,000 $10,000,000 under $20,000,000	5,149	198	340	14	4,809	184
$1,000,000 under $2,000,000 Under $1,000,000	Under $30,000,000 $20,000,000 under $30,000,000	1,624	652	109	42	1,515	610
$2,000,000 under $5,000,000 Under $2,000,000	Under $50,000,000 $30,000,000 under $50,000,000	626	626	39	39	587	587
$5,000,000 and over Under $5,000,000	Any amount $50,000,000 and over	176	176	11	11	165	165
Forms 1040, 1040A and 1040EZ without Form 2555, Form 1116, Schedule C, or Schedule F, total		91,383,059	78,093	5,970,212	4,551	85,412,847	73,542
Under $25,000		59,208,650	32,561	4,028,975	2,215	55,179,675	30,346
$25,000 under $50,000		22,396,013	16,191	1,420,496	997	20,975,517	15,194
$50,000 under $100,000		8,279,340	7,911	447,544	419	7,831 796	7,492
$100,000 under $200,000		1,108,896	2,560	55,127	128	1,053,769	2,432
$200,000 under $500,000	Not applicable	311,812	3,182	14,754	153	297 058	3,029
$500,000 under $1,000,000		54,400	1,419	2,324	57	52,076	1,362
$1,000,000 under $2,000,000		16,328	6,650	693	284	15,635	6,366
$2,000,000 under $5,000,000		5,907	5,906	230	229	5,677	5,677
$5,000,000 and over		1,713	1,713	69	69	1,644	1,644

[1] This population includes an estimated 176,792 returns (State Group A—3,637 returns, State Group C—173,155 returns) that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling

[2] Three State Groups (A, B and C) were available for use in the sample design, however, State Group B was empty

[3] State Group A contains returns from the District of Columbia and the following states Alaska, Delaware, Hawaii, Idaho, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island South Dakota, Utah, Vermont, West Virginia, and Wyoming

[4] State Group C includes returns from those states that are not included in State Group A and the following Puerto Rico, the Office of the Assistant Commissioner (International) and taxpayers having APO/FPO addresses

[5] This population includes 16 Form 1040 returns that have alternative minimum tax other than zero

METHOD OF ESTIMATION

Weighting factors were obtained by dividing the population count of returns in a sample stratum by the number of sample returns for that stratum. The weighting factors were then converted to "integer weighting factors" which were applied to each return. For example, if a weight of 44.24 was computed for a stratum, 24 percent of the sample returns in that stratum received an integer weight of 45, and 76 percent a weight of 44. One set of weighting factors was also computed for each State group. These two sets of weighting factors were used to generate all of the estimated numbers of returns and amounts in this report.

SAMPLING VARIABILITY AND CONFIDENCE INTERVALS

The sample used in this study is one of a large number of samples that could have been selected using the same sample design. The estimates calculated from these different samples would vary. The difference between a sample estimate and the average of the estimates calculated from all possible samples is called the sampling error. The standard error (SE) is a measure of the average magnitude of the sampling errors over all possible samples; that is, it is a measure of the variation among the estimates from all possible samples. Thus, the standard error is a measure of the precision with which an estimate from a particular sample approximates the average of the estimates calculated from all possible samples.

Sometimes, the standard error is expressed as a percent of the value being estimated. This is called the coefficient of variation (CV). Figure 3 contains estimated CV's for a few of the national level estimates in the report. The estimated CV is calculated by dividing the estimated standard error by the estimate [1].

The sample estimate and an estimate of its standard error permit us to construct interval estimates with prescribed confidence that the interval includes the average of the estimates calculated from all possible samples. If all possible samples were selected under essentially the same conditions and an estimate and its estimated standard error were calculated from each sample, then:

1. About 68 percent of the intervals from one standard error below the estimate to one standard error above the estimate would include the average value of all possible samples. This is a 68 percent confidence interval.

2. About 95 percent of the intervals from two standard errors below the estimate to two standard errors above the estimate would include the average value of all possible samples. This is a 95 percent confidence interval.

Figure 3.—Income and Coefficient of Variation for Selected Items, 1987

[Money amounts are in thousands of dollars]

Item	Income amount	Coefficient of variation
	(1)	(2)
Adjusted gross income less deficit	2,773,824,198	0 13
Salaries and wages	2,163,905,509	0 20
Taxable interest received	168,966,067	0 84
Tax-exempt interest	30,469,060	4 51
Dividends	66,791,158	1 27
Sales of capital assets net gain less loss	137,398,726	0 96
Sales of property other than capital assets.		
Net income.	5,274,031	4 27
Net loss	4,623,652	6 03
Total pensions and annuities	171,839,632	1 64
Farm.		
Net income.	10,714 192	4 59
Net loss	12,037,656	3 15
Total Social Security benefits	77,854,622	1 33
Total statutory adjustments	30,116,329	1 22
Total itemized deductions	392,020,128	0 40
Home Mortgage interest	136,839,622	0 58

For example: the estimate, X, for adjusted gross income (AGI) is $2,773.824 billion and its coefficient of variation, CV(X) is 0.13 percent. The standard error of the estimate, SE(X), is equal to the estimate multiplied by its coefficient of variation.

$$\begin{aligned} SE(X) &= X \cdot CV(X) \\ &= (\$2{,}773.824 \text{ billion}) \cdot (0.0013) \\ &= \$3.606 \text{ billion} \end{aligned}$$

Thus, the 95 percent confidence interval is:

($2,773.824 billion - 2 * $3.606 billion,
$2,773.824 billion + 2 * $3.606 billion)

from $2,766.612 billion to $2,781.036 billion.

TABLE PRESENTATION

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of information for specific taxpayers. These combinations and deletions are indicated by a double asterisk (**) and by a dagger (†), respectively. Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a

single asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (-) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns. Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained by writing to the Statistics of Income Division R:S:I, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224.

PROCESSING AND MANAGEMENT OF THE SAMPLE

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries on the sampled record were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules. Data were also adjusted during processing in an attempt to achieve consistent statistical definitions. For example, a taxpayer may have reported director's fees on the "other income" line of the Form 1040 return. If this situation had been detected during statistical processing, the amount of director's fees would have been transferred to salaries and wages in the sample record.

The quality of the sample data was controlled at the IRS Service Centers by means of a continuous verification system that used computer tests to check for mathematical errors and inconsistent missing data [2, 3].

Sometimes, some returns selected in the sample may not be available for SOI Processing because other areas of the IRS such as Audit, Collection, or a District Office may have the sampled return during the time SOI needs it. These returns are termed unavailable returns. In 1987, there were 166 unavailable returns which constituted about one-tenth of one percent of the sample. The following chart contains the percentage of unavailable returns for years 1984-1987.

Year	1984	1985	1986	1987
Percent	3.9	1.8	0.3	0.1

After the completion of Service Center review, data were further validated, tested, and balanced at the Detroit Computing Center. Computer adjustments and imputations for selected fields were used to make each record internally consistent. Data were then tabulated.

A small subsample of returns was selected and independently reviewed, analyzed, and processed for a quality evaluation. Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing.

SAMPLE REDESIGN

A complete revision to the sample design used to produce the statistics from individual income tax returns is being phased in over a 5-year period beginning with Tax Year 1987 and ending with Tax Year 1991. In addition to new strata classes and methods of estimation, the revisions include the development of a longitudinal panel. For additional details on the redesign see [4], [5], [6], [7] and [8].

NOTES AND REFERENCES

[1] Figure 3 does not contain estimates for net income less loss items when the estimate is close to zero, e.g., Schedule F. This is because the CV is not a useful transformation of the standard error in these cases. CV's such as those for net income less loss are usually very large compared to those for the component estimates of net income and net loss.

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Section 3 Basic Tables*

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*Production and review of tables was coordinated by June Walters. Louella Ballenger, William Bradley, Marshall Epstein, Charles Hicks, Barbara Marshall, and Emily Ring were responsible for specific tables.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Size of Adjusted Gross Income									
Total	**106,996,270**	**100.0**	**2,773,824,198**	**100.0**	**25,924**	**86,723,796**	**100.0**	**2,700,778,243**	**100.0**
No adjusted gross income	841 509	0 8	– 39,903,703	(3)	– 47 419	8,388	(2)	– 3,199 074	(3)
$1 under $1 000	2 849 870	2 7	1,742 974	0 1	612	744 168	0 9	552 639	(2)
$1 000 under $2 000	3 687 486	3 4	5,530,575	0 2	1,500	1 006,300	1 2	1 491,204	0 1
$2 000 under $3,000	3 746,316	3 5	9,363,997	0 3	2 500	1 226,315	1 4	3 154 079	0 1
$3,000 under $4,000	3,353,241	3 1	11 718 866	0 4	3 495	1 313,280	1 5	4 559 092	0 2
$4 000 under $5,000	3 337 849	3 1	15,007,069	0 5	4 496	1 668,518	1 9	7 638 086	0 3
$5,000 under $6 000	3,306 589	3 1	18 180,648	0 7	5 498	2,079 418	2 4	11 441 752	0 4
$6,000 under $7 000	3,115,543	2 9	20,233,030	0 7	6 494	2 008 103	2 3	13 034 772	0 5
$7,000 under $8 000	3,204 919	3 0	24 018 480	0 9	7 494	2 084,563	2 4	15 622,218	0 6
$8,000 under $9 000	3 095,315	2 9	26,350,209	0 9	8 513	2,051 853	2 4	17 463 542	0 6
$9 000 under $10 000	2 975 075	2 8	28,208 895	1 0	9,482	2 013,020	2 3	19 077 624	0 7
$10,000 under $11 000	2,953 767	2 8	30,978 952	1 1	10,488	2 185,955	2 5	22 946 685	0 8
$11,000 under $12,000	2,809,395	2 6	32,308,167	1 2	11,500	2,216,053	2 6	25,478,396	0 9
$12 000 under $13,000	2 770 699	2 6	34 643 686	1 2	12,504	2 313,483	2 7	28,946 913	1 1
$13 000 under $14 000	2 733 013	2 6	36,874 713	1 3	13,492	2 450,646	2 8	33,071 115	1 2
$14 000 under $15,000	2 559 563	2 4	37 114 586	1 3	14 500	2 366,517	2 7	34 329 309	1 3
$15,000 under $16,000	2 499 483	2.3	38,713,545	1 4	15,489	2 405,227	2 8	37,258 788	1 4
$16 000 under $17 000	2,301 099	2.2	37,967 021	1 4	16 500	2 225,727	2 6	36 727 802	1 4
$17,000 under $18 000	2,292,106	2 1	40,095,118	1 4	17,493	2,220,134	2 6	38,836 735	1 4
$18,000 under $19 000	2 195,515	2 1	40,602,845	1 5	18 494	2 135,245	2 5	39 488 778	1 5
$19,000 under $20,000	2 121 480	2 0	41,361,029	1 5	19 496	2,067 559	2 4	40,309 033	1 5
$20,000 under $25,000	9 055 809	8 5	203,096,623	7 3	22 427	8 900 581	10 3	199 623 902	7 4
$25,000 under $30,000	7 494 827	7 0	205,551,504	7 4	27,426	7 440,040	8 6	204,048,673	7 6
$30,000 under $40,000	11 604 644	10 8	402,500 618	14 5	34 684	11 546,242	13 3	400,536,352	14 8
$40,000 under $50,000	7,862 901	7 3	350,409,748	12 6	44,565	7,839,002	9 0	349 348 086	12 9
$50,000 under $75,000	8,110,447	7 6	484,023,071	17 4	59 679	8,096,798	9 3	483,204 608	17 9
$75,000 under $100,000	2,064,189	1 9	175,453,698	6 3	84,999	2,061 641	2 4	175,234 447	6 5
$100 000 under $200,000	1,513,654	1 4	200,973,127	7 2	132 773	1 509,910	1 7	200,486,828	7 4
$200 000 under $500,000	429 671	0 4	124,073,791	4 5	288,765	429,035	0 5	123,887,946	4 6
$500,000 under $1,000,000	75,352	0.1	50,898,244	1 8	675,473	75,228	0 1	50,814 606	1.9
$1 000,000 or more	34,944	(2)	85,732,872	3 1	2,453,436	34 847	(2)	85,363,309	3 2

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Size of Adjusted Gross Income											
Total	**86,675,726**	**1,841,389,696**	**100.0**	**86,694,480**	**367,527,687**	**100.0**	**369,202,757**	**100.0**	**20.1**	**13.7**	**4,257**
No adjusted gross income	—	—	—	258	619	(3)	156,578	(2)	(3)	(3)	18 667
$1 under $1 000	742,349	153,810	(2)	744 167	23,637	(2)	23,666	(2)	15 4	4 3	32
$1 000 under $2,000	1,004 482	488,087	(2)	1,006,300	74,474	(2)	74,474	(2)	15.3	5 0	74
$2,000 under $3,000	1,224 495	719,552	(2)	1,226,314	109 167	(2)	109 169	(2)	15 2	3 5	89
$3 000 under $4 000	1,313,277	1 520,503	0 1	1,313,278	183,087	(2)	183,219	(2)	12 0	4 0	140
$4 000 under $5,000	1,663,061	2 121 903	0 1	1 668,516	251,860	0 1	252 515	0 1	11 9	3 3	151
$5,000 under $6,000	2,077 129	3,482,963	0 2	2,078,947	441 943	0 1	450 153	0 1	12 9	3 9	216
$6,000 under $7 000	2,005,571	4 511 055	0.2	2,007,393	539,923	0 1	548 634	0 1	12 2	4 2	273
$7,000 under $8,000	2,082,659	6,309,879	0 3	2,084 478	787,390	0 2	787 944	0 2	12 5	5 0	378
$8 000 under $9,000	2,049 936	7 740,815	0 4	2,051,755	1,000 670	0 3	1 002,960	0 3	13 0	5 7	489
$9 000 under $10 000	2 011 103	9 148,811	0 5	2,012 468	1 191 283	0 3	1 196,337	0 3	13 1	6 3	594
$10,000 under $11 000	2 185,954	10 647,295	0 6	2 185,954	1,385,308	0 4	1,385 308	0 4	13 0	6 0	634
$11 000 under $12 000	2,216,053	13,043,698	0 7	2,216,053	1 709 370	0 5	1 709 397	0 5	13 1	6 7	771
$12 000 under $13,000	2,313,384	15,046,236	0 8	2,313,384	1,939 012	0 5	1,939 698	0 5	12 9	6 7	838
$13,000 under $14 000	2 450,645	17,590,388	1 0	2,450,645	2,267 614	0 6	2 267 792	0 6	12 9	6 9	925
$14 000 under $15,000	2 366,045	18 534 750	1 0	2,366,045	2 433,316	0 7	2 433,974	0 7	13 1	7 1	1,029
$15,000 under $16,000	2 405,226	20 467 606	1 1	2,405,226	2,777 629	0 8	2,777 712	0 8	13 6	7 5	1 155
$16,000 under $17,000	2,225,727	21,202 152	1.2	2,225,727	2,893,417	0 8	2,894 161	0 8	13 7	7 9	1,300
$17 000 under $18,000	2,220,132	22,484 756	1 2	2,220 132	3,061,298	0 8	3,061,399	0 8	13 6	7 9	1,379
$18,000 under $19 000	2,134,382	23 427 424	1 3	2 134,731	3,224 876	0 9	3,226,984	0 9	13 8	8 2	1,511
$19,000 under $20,000	2,067 555	24,308 464	1 3	2,067,555	3,377,395	0 9	3,377,490	0 9	13 9	8 4	1 634
$20,000 under $25,000	8,897,283	125,365 847	6 8	8,897,677	18,000,263	4 9	18,014 147	4 9	14 4	9 0	2 024
$25,000 under $30,000	7 439,390	133,560,045	7 3	7 439,389	20,377,233	5 5	20,395,356	5 5	15 3	10.0	2 741
$30 000 under $40,000	11,544 806	270,239,296	14 7	11,545,188	42 772,525	11 6	42,809 755	11 6	15 8	10 7	3,708
$40,000 under $50,000	7,835,717	242 423,221	13 2	7,835,564	41 314 979	11 2	41 345 871	11 2	17 1	11 8	5,274
$50,000 under $75,000	8,094 839	347 888 196	18 9	8,094 184	69 780,754	19 0	69,872 423	18 9	20 1	14 5	8 630
$75 000 under $100,000	2,060,119	129 607,268	7 0	2,059,809	31 182,567	8 5	31,277 163	8 5	24 1	17 8	15,171
$100,000 under $200 000	1,507 204	153,845 543	8 4	1 506,339	43,079 900	11 7	43,415,426	11 8	28 2	21 7	28 754
$200,000 under $500,000	427 635	100,620 472	5 5	427 453	32,548,800	8 9	32,978,242	8 9	32 8	26 6	76 866
$500,000 under $1 000 000	74 874	42 786,129	2 3	74,861	14,570,315	4 0	14 745,147	4 0	34 5	29 0	196 006
$1 000,000 or more	34,694	72 103,532	3 9	34,690	24 227,062	6 6	24 489,662	6 6	34 0	28 7	702 777

Footnote(s) at end of table

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns: Number of returns	All returns: Percent of total	All returns: Adjusted gross income less deficit: Amount	All returns: Adjusted gross income less deficit: Percent of total[1]	All returns: Adjusted gross income less deficit: Average (dollars)	Taxable returns: Number of returns	Taxable returns: Percent of total	Taxable returns: Adjusted gross income less deficit: Amount	Taxable returns: Adjusted gross income less deficit: Percent of total[1]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated from Smallest Size of Adjusted Gross Income									
No adjusted gross income	841,509	0.8	−39,903,703	(3)	−47,419	8,388	(2)	−3,199,074	(3)
$1 under $1,000	2,849,870	2.7	1,742,974	0.1	612	744,168	0.9	552,639	(3)
$1 under $2,000	6,537,356	6.1	7,273,549	0.3	1,113	1,750,468	2.0	2,043,843	0.1
$1 under $3,000	10,283,672	9.6	16,637,547	0.6	1,618	2,976,733	3.4	5,197,922	0.2
$1 under $4,000	13,636,913	12.7	28,356,413	1.0	2,079	4,290,063	4.9	9,757,013	0.4
$1 under $5,000	16,974,762	15.9	43,363,482	1.5	2,555	5,958,581	6.9	17,395,099	0.6
$1 under $6,000	20,281,351	19.0	61,544,330	2.2	3,035	8,037,999	9.3	28,836,851	1.1
$1 under $7,000	23,396,894	21.9	81,777,360	2.9	3,495	10,046,102	11.6	41,871,623	1.5
$1 under $8,000	26,601,813	24.9	105,795,840	3.8	3,977	12,130,665	14.0	57,493,841	2.1
$1 under $9,000	29,697,128	27.8	132,146,049	4.7	4,450	14,182,518	16.4	74,957,382	2.8
$1 under $10,000	32,672,203	30.5	160,354,943	5.7	4,906	16,195,538	18.7	94,035,006	3.5
$1 under $11,000	35,625,970	33.3	191,333,896	6.8	5,371	18,381,493	21.2	116,981,692	4.3
$1 under $12,000	38,435,365	35.9	223,642,062	7.9	5,819	20,597,546	23.8	142,460,088	5.3
$1 under $13,000	41,206,064	38.5	256,285,749	9.2	6,268	22,911,029	26.4	171,407,001	6.3
$1 under $14,000	43,939,077	41.1	295,160,462	10.5	6,717	25,361,675	29.2	204,478,116	7.6
$1 under $15,000	46,496,640	43.5	332,275,048	11.8	7,146	27,728,192	32.0	238,807,425	8.8
$1 under $16,000	48,998,123	45.8	370,988,592	13.2	7,571	30,133,419	34.7	276,066,213	10.2
$1 under $17,000	51,299,222	47.9	406,955,613	14.5	7,972	32,359,146	37.3	312,794,015	11.6
$1 under $18,000	53,591,328	50.1	449,050,731	16.0	8,379	34,579,280	39.9	351,630,749	13.0
$1 under $19,000	55,786,843	52.1	489,653,576	17.4	8,777	36,714,525	42.3	391,119,527	14.5
$1 under $20,000	57,908,323	54.1	531,014,605	18.9	9,170	38,782,084	44.7	431,428,560	16.0
$1 under $25,000	66,964,132	62.8	734,111,228	26.1	10,963	47,682,665	55.0	631,052,462	23.3
$1 under $30,000	74,458,959	69.6	939,682,732	33.4	12,620	55,122,705	63.6	835,101,135	30.9
$1 under $40,000	86,063,603	80.4	1,342,163,350	47.7	15,595	66,688,947	76.9	1,235,637,487	45.7
$1 under $50,000	93,926,504	87.8	1,692,573,098	60.2	18,020	74,507,949	85.9	1,584,965,573	58.6
$1 under $75,000	102,036,951	95.4	2,176,596,169	77.4	21,331	82,604,747	95.3	2,068,190,181	76.5
$1 under $100,000	104,101,140	97.3	2,352,049,567	83.6	22,594	84,666,388	97.6	2,243,424,628	83.0
$1 under $200,000	105,614,794	98.7	2,553,022,994	90.7	24,173	86,176,296	99.4	2,443,911,456	90.4
$1 under $500,000	106,044,465	99.1	2,677,096,785	95.1	25,245	86,605,333	99.9	2,567,799,402	95.0
$1 under $1,000,000	106,119,817	99.2	2,727,995,029	97.0	25,707	86,680,561	100.0	2,618,614,008	96.8
$1 or more	106,154,761	99.2	2,813,727,901	100.0	26,506	86,715,408	100.0	2,703,977,317	100.0
All returns	**106,996,270**	**100.0**	**2,773,824,198**	**98.6**	**25,924**	**86,723,796**	**100.0**	**2,700,778,243**	**99.9**

Size and accumulated size of adjusted gross income	Taxable returns—Continued: Taxable income: Number of returns	Taxable income: Amount	Taxable income: Percent of total	Income tax after credits: Number of returns	Income tax after credits: Amount	Income tax after credits: Percent of total	Total income tax: Amount	Total income tax: Percent of: Total	Total income tax: Percent of: Taxable income	Total income tax: Percent of: Adjusted gross income less deficit	Average income tax (dollars)
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Cumulated from Smallest Size of Adjusted Gross Income											
No adjusted gross income	—	—	—	256	619	(3)	155,578	(3)	(3)	(3)	18,667
$1 under $1,000	742,349	153,810	(2)	744,167	23,637	(2)	23,666	(2)	15.4	4.3	32
$1 under $2,000	1,746,831	641,896	(2)	1,750,467	96,112	(2)	98,140	(2)	15.3	4.8	56
$1 under $3,000	2,971,326	1,361,449	0.1	2,976,781	207,279	0.1	207,309	0.1	15.2	4.0	70
$1 under $4,000	4,284,603	2,681,952	0.2	4,290,059	390,366	0.1	390,528	0.1	13.8	4.0	91
$1 under $5,000	5,947,664	5,003,855	0.3	5,958,575	842,226	0.2	643,043	0.2	12.9	3.7	108
$1 under $6,000	8,024,793	8,486,818	0.5	8,037,522	1,084,169	0.3	1,093,196	0.3	12.9	3.8	136
$1 under $7,000	10,030,364	12,997,873	0.7	10,044,915	1,624,092	0.4	1,641,830	0.4	12.6	3.9	163
$1 under $8,000	12,113,023	19,307,752	1.0	12,129,393	2,411,482	0.7	2,429,774	0.7	12.6	4.2	200
$1 under $9,000	14,162,959	27,048,567	1.5	14,181,148	3,412,152	0.9	3,432,734	0.9	12.7	4.6	242
$1 under $10,000	16,174,062	36,197,378	2.0	16,193,616	4,603,435	1.3	4,629,072	1.3	12.8	4.9	286
$1 under $11,000	18,360,016	46,844,673	2.5	18,379,570	5,968,743	1.6	6,014,379	1.6	12.8	5.1	327
$1 under $12,000	20,576,069	59,886,370	3.3	20,595,623	7,698,113	2.1	7,723,776	2.1	12.9	5.4	375
$1 under $13,000	22,889,453	74,934,607	4.1	22,909,007	9,637,125	2.6	9,663,474	2.6	12.9	5.6	422
$1 under $14,000	25,340,098	92,524,995	5.0	25,359,652	11,904,739	3.2	11,931,266	3.2	12.9	5.8	470
$1 under $15,000	27,706,143	111,059,745	6.0	27,725,697	14,338,055	3.9	14,365,240	3.9	12.9	6.0	518
$1 under $16,000	30,111,369	131,527,352	7.1	30,130,923	17,115,684	4.7	17,142,952	4.6	13.0	6.2	569
$1 under $17,000	32,337,096	152,729,503	8.3	32,356,650	20,009,101	5.4	20,037,113	5.4	13.1	6.4	619
$1 under $18,000	34,557,228	175,214,259	9.5	34,576,782	23,070,398	6.3	23,098,512	6.3	13.2	6.6	668
$1 under $19,000	36,691,610	198,641,684	10.8	36,711,513	26,295,274	7.2	26,325,496	7.1	13.3	6.7	717
$1 under $20,000	38,759,165	222,950,145	12.1	38,779,068	29,672,670	8.1	29,702,986	8.0	13.3	6.9	766
$1 under $25,000	47,656,448	348,315,994	18.9	47,676,745	47,672,933	13.0	47,717,133	12.9	13.7	7.6	1,001
$1 under $30,000	55,095,838	481,876,040	26.2	55,116,134	68,050,186	18.5	68,112,489	18.4	14.1	8.2	1,236
$1 under $40,000	66,640,644	752,115,336	40.8	66,661,322	110,822,691	30.2	110,922,244	30.0	14.7	9.0	1,664
$1 under $50,000	74,476,361	994,538,557	54.0	74,496,886	152,137,670	41.4	152,268,115	41.2	15.3	9.6	2,044
$1 under $75,000	82,571,200	1,342,426,752	72.9	82,591,070	221,918,424	60.4	222,140,538	60.2	16.5	10.7	2,689
$1 under $100,000	84,631,319	1,472,034,020	79.9	84,650,679	253,100,991	68.9	253,417,701	68.6	17.2	11.3	2,993
$1 under $200,000	86,138,523	1,625,879,563	88.3	86,157,218	296,180,891	80.6	296,833,127	80.4	18.3	12.1	3,444
$1 under $500,000	86,566,158	1,726,500,035	93.8	86,584,671	328,729,691	89.4	329,811,369	89.3	19.1	12.8	3,806
$1 under $1,000,000	86,641,032	1,769,286,164	96.1	86,659,532	343,300,007	93.4	344,556,517	93.3	19.5	13.2	3,975
$1 or more	86,675,726	1,841,389,696	100.0	86,694,222	367,527,068	100.0	369,046,178	100.0	20.0	13.6	4,256
All returns	**86,675,726**	**1,841,389,696**	**100.0**	**86,694,480**	**367,527,687**	**100.0**	**369,202,757**	**100.0**	**20.1**	**13.7**	**4,257**

Footnote(s) at end of table

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

All figures are estimates based on samples—money amounts are in thousands of dollars

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated from Largest Size of Adjusted Gross Income									
$1,000,000 or more	34,944	[illegible]	85,732,870	3.0	2,453,436	34,947	[illegible]	85,363,309	3.2
$500,000 or more	110,296	[illegible]	136,837,116	4.9	1,239,788	110,278	[illegible]	136,177,315	5.0
$200,000 or more	539,967	0.5	260,724,907	9.3	482,915	539,110	1.6	260,065,967	9.6
$100,000 or more	2,053,627	1.9	457,679,034	16.4	224,910	2,049,020	6.4	460,582,689	17.0
$75,000 or more	4,117,910	3.8	637,137,732	22.9	154,709	4,110,967	12.7	635,757,136	23.5
$50,000 or more	12,209,257	11.4	1,127,154,803	39.6	91,936	12,207,466	34.1	1,116,957,744	41.4
$40,000 or more	20,791,159	19.6	1,477,564,551	52.3	73,044	20,046,487	23.1	1,458,339,830	54.3
$30,000 or more	31,696,802	29.6	1,874,065,189	66.6	59,127	31,580,703	36.4	1,868,675,182	69.1
$25,000 or more	39,190,625	36.6	2,075,616,673	73.8	53,064	39,032,743	45.0	2,072,824,855	76.7
$20,000 or more	43,248,438	40.1	2,202,713,295	81.1	47,314	43,033,524	53.3	2,272,546,757	84.1
$15,000 or more	50,367,915	47.1	2,324,274,305	82.6	46,142	50,000,863	57.7	2,312,857,790	85.5
$10,000 or more	60,563,432	49.1	2,364,577,172	84.0	44,987	60,136,129	60.1	2,350,346,565	87.0
$7,000 or more	64,358,535	61.3	2,404,772,286	85.6	43,838	64,356,260	62.7	2,367,183,302	88.4
$6,000 or more	67,158,635	63.4	2,442,739,305	86.8	42,738	66,687,989	65.2	2,427,911,104	89.8
$5,000 or more	69,656,727	65.8	2,481,482,953	88.2	41,596	69,987,216	68.1	2,455,169,350	91.2
$4,000 or more	72,215,684	68.1	2,516,567,426	89.5	40,481	71,353,733	70.7	2,499,436,207	92.4
$3,000 or more	74,346,697	70.1	2,555,442,152	90.8	39,346	73,304,575	73.6	2,532,570,316	93.7
$2,000 or more	77,719,396	73.3	2,590,289,838	92.1	38,247	76,111,862	76.2	2,567,517,209	94.7
$1,000 or more	79,509,797	75.0	2,622,364,175	93.2	37,182	78,333,916	78.3	2,586,996,625	95.7
$0,000 or more	79,482,534	75.0	2,653,372,367	94.3	36,109	79,816,570	79.3	2,609,942,911	96.5
$5,000 or more	78,457,833	74.0	2,687,551,852	95.5	35,173	78,530,991	78.5	2,629,219,634	97.2
$4,000 or more	79,562,346	75.4	2,707,932,067	96.2	34,039	79,584,743	79.0	2,646,453,475	97.9
$3,000 or more	80,797,867	77.3	2,727,950,540	97.1	33,211	78,889,306	78.4	2,662,135,594	98.5
$2,000 or more	83,670,412	80.3	2,752,183,570	97.8	32,049	78,877,429	80.7	2,675,140,486	98.9
$1,000 or more	85,179,995	83.3	2,770,364,419	98.5	31,068	80,756,807	83.7	2,686,562,219	99.4
$0 or more	85,517,845	86.3	2,785,371,436	99.0	30,106	82,425,345	85.2	2,694,220,304	99.6
$2,000 or more	85,671,092	88.6	2,797,290,354	99.4	29,172	83,738,825	86.6	2,696,779,395	99.8
$1,000 or more	85,817,405	88.7	2,806,454,351	99.7	28,172	84,964,340	88.2	2,707,833,474	99.9
$0 or more	85,304,897	88.3	2,813,827,827	99.8	27,220	85,871,040	89.1	2,708,434,675	100.0
$0 or more	106,154,797	98.2	2,813,727,901	100.0	25,506	86,715,406	100.0	2,708,377,317	100.0
All returns	**106,996,270**	**100.0**	**2,773,624,196**	**98.6**	**25,924**	**86,723,796**	**100.0**	**2,700,778,243**	**99.9**

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			Average income tax (dollars)
								Tax	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Cumulated from Largest Size of Adjusted Gross Income											
$1,000,000 or more	34,894	72,703,532	3.9	34,890	24,207,960	6.6	24,499,862	6.9	34.0	28.7	702,177
$500,000 or more	109,568	114,889,667	6.2	109,551	38,797,877	10.6	39,234,809	10.9	34.1	28.9	356,437
$200,000 or more	537,203	215,510,133	11.7	537,004	71,348,177	19.4	72,173,251	19.9	33.5	27.9	133,949
$100,000 or more	2,044,407	369,355,676	20.0	2,043,343	114,426,077	31.1	116,808,477	31.9	31.3	25.1	56,431
$75,000 or more	4,104,529	498,960,944	27.1	4,102,152	143,605,544	39.0	146,905,540	39.9	29.4	23.1	35,738
$50,000 or more	12,195,365	848,851,140	46.0	12,187,336	216,389,396	58.8	219,773,064	59.7	25.9	19.4	17,958
$40,000 or more	20,035,082	1,089,274,351	59.0	20,030,900	256,704,377	69.8	258,123,935	69.9	23.7	17.6	12,876
$30,000 or more	31,579,886	1,359,593,557	73.6	31,578,088	299,476,902	81.3	300,833,889	81.5	22.1	16.1	9,525
$25,000 or more	39,019,278	1,493,073,702	81.1	39,017,477	319,854,135	87.0	321,329,746	87.0	21.5	15.5	8,230
$20,000 or more	43,016,561	1,615,435,549	87.9	43,015,154	337,954,399	91.9	339,543,193	91.9	21.0	14.9	7,879
$15,000 or more	49,984,116	1,742,748,013	88.0	49,980,709	341,231,734	92.8	342,721,682	92.8	20.5	14.5	6,854
$10,000 or more	60,115,496	1,888,175,437	90.5	60,111,440	344,456,670	93.7	345,947,957	93.7	20.5	14.7	5,835
$7,000 or more	64,336,630	1,888,660,182	91.7	64,337,570	347,517,967	94.6	349,039,066	94.5	20.7	14.5	5,427
$6,000 or more	66,564,357	1,709,862,345	90.9	66,563,299	350,411,364	95.3	351,903,227	95.3	20.6	14.5	5,219
$5,000 or more	68,969,583	1,730,309,951	94.0	68,968,505	353,189,013	95.7	354,680,836	95.7	20.5	14.4	5,013
$4,000 or more	71,335,628	1,745,864,701	95.0	71,334,570	355,822,304	96.5	357,114,910	96.7	20.4	14.3	4,807
$3,000 or more	73,786,279	1,756,455,092	95.9	73,785,215	357,886,543	97.4	359,362,704	97.3	20.3	14.2	4,603
$2,000 or more	76,399,657	1,767,801,305	96.7	76,398,599	359,809,956	97.9	361,320,400	97.9	20.3	14.1	4,405
$1,000 or more	78,315,710	1,794,545,004	97.5	78,314,652	361,536,305	98.4	363,031,799	98.3	20.2	14.0	4,213
$0 or more	79,501,664	1,805,182,316	98.0	79,500,606	362,823,533	98.7	364,411,107	98.7	20.2	14.0	4,086
$5,000 or more	78,512,757	1,814,541,130	98.5	78,513,074	364,114,917	99.1	365,513,444	99.0	20.2	13.9	4,041
$4,000 or more	79,562,728	1,822,061,944	99.0	79,564,829	365,115,586	99.3	366,616,404	99.3	20.1	13.9	4,015
$3,000 or more	78,648,362	1,829,381,823	99.3	78,649,307	365,902,978	99.6	367,404,346	99.5	20.1	13.9	4,730
$2,000 or more	78,650,833	1,832,902,673	99.5	78,656,700	366,442,999	99.7	367,950,983	99.7	20.1	13.9	4,677
$1,000 or more	80,739,062	1,836,385,647	99.7	80,739,547	366,854,643	99.8	368,403,136	99.8	20.1	13.7	4,562
$0 or more	82,391,125	1,838,507,744	99.8	82,404,153	367,136,700	99.9	368,653,650	99.9	20.1	13.7	4,473
$3,000 or more	83,704,400	1,840,028,247	99.9	83,717,441	367,319,790	99.9	368,838,869	99.9	20.0	13.7	4,405
$2,000 or more	84,928,895	1,840,747,795	100.0	84,942,756	367,429,956	100.0	368,948,238	99.9	20.0	13.7	4,342
$1,000 or more	85,933,577	1,841,236,886	100.0	85,950,255	367,503,431	100.0	369,022,513	100.0	20.0	13.7	4,292
$0 or more	86,675,726	1,841,389,696	100.0	86,694,222	367,527,068	100.0	369,046,178	100.0	20.0	13.6	4,256
All returns	**86,675,726**	**1,841,389,696**	**100.0**	**86,694,480**	**367,527,657**	**100.0**	**369,202,757**	**100.0**	**20.1**	**13.7**	**4,257**

Percent based on positive income only.
Less than 0.05 percent.
Percent not computed.
NOTE: Detail may not add to total because of rounding.

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	**106,996,270**	**2,773,824,198**	**406,773,173**	**35,627,790**	**392,020,128**	**69,099,180**	**212,066,815**	**90,079,102**	**1,850,697,119**	**86,694,480**	**367,527,687**	**86,723,796**	**369,202,757**
No adjusted gross income	841,509	−39,903,703	3,140,292							258	619	8,388	156,578
$1 under $1,000	2,849,870	1,742,974	3,078,576	20,417	155,443	2,751,140	3,996,832	774,560	155,369	744,167	23,637	744,168	23,666
$1,000 under $2,000	3,687,486	5,530,575	4,410,821	41,896	306,545	3,585,951	6,769,616	1,081,357	504,619	1,006,300	74,474	1,006,300	74,474
$2,000 under $3,000	3,746,316	9,363,997	5,764,635	49,606	402,897	3,563,000	8,894,888	1,358,193	856,194	1,226,314	109,167	1,226,315	109,169
$3,000 under $4,000	3,353,241	11,718,866	5,740,672	67,720	489,019	3,212,252	8,631,831	1,350,114	1,582,111	1,313,278	183,087	1,313,280	183,219
$4,000 under $5,000	3,337,849	15,007,069	7,167,911	73,646	425,382	3,180,036	8,843,805	1,716,736	2,177,693	1,668,516	251,860	1,668,518	252,515
$5,000 under $6,000	3,306,589	18,180,848	7,967,206	101,832	718,959	3,140,661	9,230,180	2,145,761	3,550,422	2,078,947	441,943	2,079,418	450,153
$6,000 under $7,000	3,115,543	20,233,030	8,546,413	167,017	1,328,812	2,879,000	8,641,355	2,259,101	4,714,410	2,007,393	539,923	2,008,103	548,634
$7,000 under $8,000	3,204,919	24,018,480	9,150,440	175,796	1,109,244	2,962,789	9,124,656	2,398,054	6,804,165	2,084,478	787,390	2,084,563	787,944
$8,000 under $9,000	3,095,315	26,350,209	9,390,936	197,315	1,399,074	2,826,151	8,938,505	2,393,497	8,374,735	2,051,755	1,000,670	2,051,853	1,002,960
$9,000 under $10,000	2,975,075	28,208,895	9,234,239	212,252	1,683,194	2,691,390	8,438,894	2,424,283	10,125,295	2,012,468	1,191,283	2,013,020	1,196,337
$10,000 under $11,000	2,953,767	30,978,952	9,976,773	228,351	1,564,111	2,670,799	8,661,750	2,619,668	11,676,542	2,185,954	1,385,308	2,185,955	1,385,308
$11,000 under $12,000	2,809,395	32,308,167	9,200,309	258,673	1,823,609	2,500,749	7,928,630	2,596,850	14,030,593	2,216,053	1,709,370	2,216,053	1,709,397
$12,000 under $13,000	2,770,699	34,643,686	9,332,538	326,656	2,205,863	2,385,887	7,750,314	2,621,842	15,901,497	2,313,484	1,939,012	2,313,483	1,939,698
$13,000 under $14,000	2,733,013	36,874,713	9,591,159	356,514	2,233,204	2,341,939	7,517,573	2,616,644	17,984,638	2,450,645	2,267,614	2,450,646	2,267,792
$14,000 under $15,000	2,559,563	37,114,586	9,196,409	370,448	2,442,194	2,160,008	7,007,752	2,460,987	18,879,719	2,366,045	2,433,316	2,366,517	2,433,974
$15,000 under $16,000	2,499,483	38,713,545	9,295,799	381,550	2,468,953	2,071,968	6,724,840	2,442,519	20,610,413	2,405,226	2,777,629	2,405,227	2,777,712
$16,000 under $17,000	2,301,099	37,967,021	8,291,655	402,249	2,478,653	1,851,996	6,023,486	2,254,787	21,335,032	2,225,727	2,893,417	2,225,727	2,894,161
$17,000 under $18,000	2,292,106	40,095,118	8,704,802	437,672	3,062,278	1,813,082	5,971,596	2,249,533	22,631,077	2,220,132	3,061,298	2,220,134	3,061,399
$18,000 under $19,000	2,195,515	40,602,845	8,559,383	478,298	3,118,362	1,685,509	5,534,063	2,157,662	23,579,725	2,134,731	3,224,876	2,135,245	3,226,984
$19,000 under $20,000	2,121,480	41,361,029	8,360,722	542,087	3,658,776	1,547,139	5,124,515	2,086,629	24,441,186	2,067,555	3,377,395	2,067,559	3,377,490
$20,000 under $25,000	9,055,809	203,096,623	37,845,625	2,887,779	19,402,586	6,085,064	20,549,159	8,967,574	126,032,289	8,897,677	18,000,263	8,900,581	18,014,147
$25,000 under $30,000	7,494,827	205,551,504	34,515,914	3,307,096	23,095,478	4,122,662	14,432,974	7,468,035	133,895,752	7,439,389	20,377,233	7,440,040	20,395,356
$30,000 under $40,000	11,604,644	402,500,618	59,220,283	7,181,645	58,824,355	4,369,858	16,144,996	11,579,339	270,913,902	11,545,188	42,772,525	11,546,242	42,809,755
$40,000 under $50,000	7,862,901	350,409,746	43,579,595	6,189,088	58,147,027	1,651,651	8,634,465	7,849,462	242,712,736	7,835,564	41,314,979	7,839,002	41,345,871
$50,000 under $75,000	8,110,447	484,023,071	46,072,614	7,248,587	86,790,714	857,170	3,659,150	8,099,602	347,978,968	8,094,184	69,780,754	8,096,798	69,872,423
$75,000 under $100,000	2,064,189	175,453,698	11,801,827	1,950,548	33,672,774	112,446	516,115	2,060,927	129,661,327	2,059,809	31,182,567	2,061,641	31,277,163
$100,000 under $200,000	1,513,654	200,973,127	8,575,985	1,444,180	38,458,847	68,012	324,487	1,508,026	153,927,488	1,506,339	43,079,900	1,509,910	43,415,426
$200,000 under $500,000	429,671	124,073,791	2,448,873	420,380	21,164,988	9,195	42,767	427,762	100,643,815	427,453	32,548,800	429,035	32,978,242
$500,000 under $1,000,000	75,352	50,898,244	420,235	73,940	7,803,448	1,362	6,321	74,894	42,794,638	74,861	14,570,315	75,228	14,745,147
$1,000,000 or more	34,944	85,742,872	190,533	34,612	13,625,238	314	1,299	34,704	72,120,769	34,690	24,227,062	34,847	24,489,662
Taxable returns, total	**86,723,796**	**2,700,778,243**	**334,527,621**	**33,013,680**	**369,919,197**	**51,824,838**	**160,821,222**	**86,675,726**	**1,641,389,696**	**86,694,480**	**367,527,687**	**86,723,796**	**369,202,757**
No adjusted gross income	8,388	−3,199,074	44,322							258	619	8,388	156,578
$1 under $1,000	744,168	552,639	3,458	**	**	740,531	402,152	742,349	153,810	744,167	23,637	744,168	23,666
$1,000 under $2,000	1,006,300	1,491,204	17,271	**1,819	**1,595	1,004,482	1,005,763	1,004,482	480,087	1,006,300	74,474	1,006,300	74,474
$2,000 under $3,000	1,226,315	3,154,079	14,708	*5,456	*6,249	1,215,396	2,425,992	1,224,495	719,552	1,226,314	109,167	1,226,315	109,169
$3,000 under $4,000	1,313,280	4,559,092	59,008	*5,460	*5,689	1,276,444	2,976,336	1,313,277	1,520,503	1,313,278	183,087	1,313,280	183,219
$4,000 under $5,000	1,668,518	7,638,086	1,588,238	*7,708	*39,647	1,607,587	3,924,334	1,683,061	2,121,903	1,668,516	251,860	1,668,518	252,515
$5,000 under $6,000	2,079,418	11,441,752	2,782,129	*11,381	*40,978	2,027,113	5,155,249	2,077,129	3,482,963	2,078,947	441,943	2,079,418	450,153
$6,000 under $7,000	2,008,103	13,034,772	3,197,602	56,669	217,435	1,903,663	5,127,852	2,005,571	4,511,055	2,007,394	539,923	2,008,103	548,634
$7,000 under $8,000	2,084,563	15,622,218	3,643,379	65,048	251,079	1,979,031	5,433,357	2,082,689	6,309,879	2,084,478	787,390	2,084,563	787,944
$8,000 under $9,000	2,051,853	17,463,542	4,025,701	82,817	352,484	1,913,992	5,355,913	2,049,936	7,740,815	2,051,755	1,000,670	2,051,853	1,002,960
$9,000 under $10,000	2,013,020	19,077,624	4,181,849	89,664	432,243	1,862,842	5,420,431	2,011,103	9,148,811	2,012,468	1,191,283	2,013,020	1,196,337
$10,000 under $11,000	2,185,955	22,946,685	5,231,787	104,548	488,492	2,038,886	6,596,179	2,185,954	10,647,295	2,185,954	1,385,308	2,185,955	1,385,308
$11,000 under $12,000	2,216,053	25,478,396	5,436,239	160,114	754,244	2,008,214	6,253,592	2,216,053	13,044,698	2,216,053	1,709,370	2,216,053	1,709,397
$12,000 under $13,000	2,313,483	28,946,913	6,252,306	234,713	1,201,578	2,021,044	6,481,887	2,313,484	15,046,236	2,313,484	1,939,012	2,313,483	1,939,698
$13,000 under $14,000	2,450,646	33,071,115	7,300,530	268,155	1,367,714	2,147,931	6,841,386	2,450,645	17,590,388	2,450,645	2,267,614	2,450,646	2,267,792
$14,000 under $15,000	2,366,517	34,329,309	7,689,690	287,450	1,516,810	2,051,782	6,628,528	2,366,045	18,534,750	2,366,045	2,433,316	2,366,517	2,433,974
$15,000 under $16,000	2,405,227	37,258,788	8,513,741	343,252	1,786,768	2,016,010	6,526,048	2,405,226	20,467,606	2,405,226	2,777,629	2,405,227	2,777,712
$16,000 under $17,000	2,225,727	36,727,802	7,626,634	363,746	2,041,961	1,815,127	5,890,697	2,225,727	21,202,152	2,225,727	2,893,417	2,225,727	2,894,161
$17,000 under $18,000	2,220,134	38,836,735	8,222,014	387,040	2,278,290	1,791,742	5,893,490	2,220,132	22,484,756	2,220,132	3,061,298	2,220,134	3,061,399
$18,000 under $19,000	2,135,245	39,488,778	8,073,914	442,140	2,582,787	1,661,337	5,446,396	2,134,302	23,427,424	2,134,731	3,224,876	2,135,245	3,226,984
$19,000 under $20,000	2,067,559	40,309,033	7,998,184	500,403	2,961,730	1,534,902	5,074,612	2,067,555	24,308,464	2,067,555	3,377,395	2,067,559	3,377,490
$20,000 under $25,000	8,900,581	199,623,902	36,749,413	2,771,078	17,332,833	6,047,923	20,410,422	8,897,203	125,365,847	8,897,677	18,000,263	8,900,581	18,014,147
$25,000 under $30,000	7,440,040	204,048,673	34,185,081	3,263,482	22,108,142	4,111,958	14,389,506	7,439,390	133,560,045	7,439,389	20,377,233	7,440,040	20,395,356
$30,000 under $40,000	11,546,242	400,536,352	58,874,430	7,141,357	55,711,803	4,353,086	16,081,577	11,544,806	270,249,296	11,545,188	42,772,525	11,546,242	42,809,755
$40,000 under $50,000	7,839,002	349,348,086	43,423,165	6,167,353	57,289,814	1,649,487	8,627,137	7,835,717	242,423,221	7,835,564	41,314,979	7,839,002	41,345,871
$50,000 under $75,000	8,096,798	483,204,608	45,964,530	7,235,379	85,959,335	856,829	3,657,964	8,094,839	347,880,196	8,094,184	69,780,754	8,096,798	69,872,423
$75,000 under $100,000	2,061,641	175,234,447	11,784,889	1,948,530	33,431,213	111,916	514,599	2,060,119	129,607,268	2,059,809	31,182,567	2,061,641	31,277,163
$100,000 under $200,000	1,509,910	200,406,828	8,560,386	1,440,790	37,956,268	67,758	323,594	1,507,204	153,845,543	1,506,339	43,079,900	1,509,910	43,415,426
$200,000 under $500,000	429,035	123,687,046	2,445,364	419,780	20,914,035	9,194	42,635	427,435	100,620,472	427,453	32,548,800	429,035	32,978,242
$500,000 under $1,000,000	75,228	50,814,606	419,555	73,821	7,691,093	1,358	6,309	74,874	42,786,129	74,861	14,570,315	75,228	14,745,147
$1,000,000 or more	34,847	85,363,309	189,995	34,521	13,196,287	309	1,284	34,694	72,103,542	34,690	24,227,062	34,847	24,489,662
Nontaxable returns, total	**20,272,474**	**73,045,955**	**74,245,652**	**1,714,110**	**22,100,931**	**17,274,342**	**51,245,593**	**3,403,376**	**9,207,423**	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status —Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Joint returns of husbands and wives												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All returns, total	**47,742,215**	**1,909,828,493**	**282,474,886**	**25,265,390**	**305,545,511**	**21,646,481**	**93,627,433**	**42,414,706**	**1,283,250,208**	**41,389,571**	**263,346,144**	**41,410,472**	**264,625,833**
No adjusted gross income	455,089	−29,799,492	2,412,164	—	—	—	—	—	—	252	307	6,385	118,424
$1 under $1,000	136,120	75,105	741,300	8,328	92,885	116,784	512,702	—	—	—	—	**	**
$1,000 under $2,000	157,429	237,475	830,404	20,966	221,506	128,728	574,957	—	—	**1,819	**2,889	**1,821	**2,919
$2,000 under $3,000	265,631	664,649	1,482,052	12,763	118,492	240,131	1,073,526	*3,637	*1,245	—	—	**	**
$3,000 under $4,000	302,025	1,068,779	1,547,617	20,402	183,717	272,476	1,237,894	*3,639	*2,383	**	**	**	**
$4,000 under $5,000	387,264	1,751,401	2,084,005	27,250	223,429	344,067	1,516,993	*10,488	*11,125	*5,455	*10,169	*5,456	*10,388
$5,000 under $6,000	482,874	2,668,998	2,541,308	19,830	189,764	451,218	2,070,548	*10,004	*16,610	*1,818	*17,707	*2,289	*25,917
$6,000 under $7,000	560,533	3,637,992	3,006,368	51,027	518,336	494,936	2,228,151	18,207	47,799	*5,466	*1,410	*6,176	*10,121
$7,000 under $8,000	665,961	5,004,052	3,453,560	53,960	430,792	598,787	2,732,891	73,254	58,064	58,686	3,028	58,771	3,582
$8,000 under $9,000	721,003	6,155,306	3,853,140	49,981	434,184	656,461	3,044,478	165,150	205,222	142,578	22,283	142,676	24,573
$9,000 under $10,000	713,380	6,778,200	3,786,266	70,813	637,094	629,783	2,909,077	271,312	367,031	206,354	33,945	206,452	38,598
$10,000 under $11,000	882,126	9,262,998	4,746,993	86,853	651,854	782,005	3,580,831	609,916	962,625	473,117	83,327	473,118	83,328
$11,000 under $12,000	754,123	8,702,388	4,101,907	102,616	794,813	636,952	2,952,984	581,593	1,279,003	401,268	115,886	401,268	115,896
$12,000 under $13,000	847,792	10,605,226	4,506,255	116,114	916,233	715,300	3,283,862	728,032	2,239,129	541,845	194,182	541,944	194,867
$13,000 under $14,000	863,796	11,661,008	4,807,553	137,751	1,078,503	715,126	3,204,868	766,085	2,932,105	661,580	297,221	661,581	297,398
$14,000 under $15,000	878,038	12,717,295	4,823,706	164,242	1,254,646	704,700	3,178,475	799,471	3,771,098	742,723	414,982	743,195	415,640
$15,000 under $16,000	884,087	13,690,113	5,099,542	144,291	1,134,847	723,369	3,175,601	842,512	4,554,612	818,379	555,586	818,380	555,668
$16,000 under $17,000	816,620	13,461,928	4,573,226	158,753	1,179,293	641,016	2,837,283	777,858	5,015,285	762,387	620,026	762,387	620,026
$17,000 under $18,000	862,641	15,104,718	4,849,666	171,823	1,412,180	668,079	2,919,640	832,795	6,099,951	809,627	767,170	809,629	767,271
$18,000 under $19,000	850,887	15,736,737	5,080,956	204,475	1,520,756	631,860	2,741,787	819,872	6,485,424	802,828	820,331	802,912	821,973
$19,000 under $20,000	881,551	17,190,578	5,131,121	225,493	1,765,171	645,142	2,750,306	856,303	7,684,052	840,382	1,011,905	840,382	1,011,905
$20,000 under $25,000	4,326,550	97,426,839	25,582,078	1,369,192	10,333,264	2,927,578	12,265,537	4,259,426	49,791,969	4,204,357	6,648,017	4,206,791	6,649,505
$25,000 under $30,000	4,376,989	120,238,662	26,348,196	1,883,190	14,092,228	2,466,264	10,053,023	4,357,769	69,970,093	4,333,177	9,669,331	4,333,744	9,679,964
$30,000 under $40,000	8,239,208	287,646,104	50,716,697	5,044,170	40,752,202	3,165,363	12,840,019	8,223,679	183,745,940	8,192,277	26,148,776	8,193,252	26,178,412
$40,000 under $50,000	6,565,764	293,021,697	40,266,581	5,160,739	48,486,616	1,390,021	5,869,682	6,555,565	199,007,470	6,542,199	31,695,007	6,543,733	31,712,334
$50,000 under $75,000	7,227,099	431,827,367	43,844,001	6,479,942	77,443,847	743,983	3,290,316	7,218,081	307,583,823	7,213,411	59,698,772	7,215,386	59,765,016
$75,000 under $100,000	1,852,297	157,438,517	11,279,619	1,758,277	30,381,483	93,872	459,705	1,849,972	115,496,790	1,849,245	27,215,909	1,850,173	27,294,913
$100,000 under $200,000	1,322,659	175,454,760	8,110,731	1,267,249	33,498,731	54,722	282,003	1,319,578	133,780,278	1,318,144	37,003,834	1,320,571	37,253,085
$200,000 under $500,000	368,843	106,382,581	2,298,509	362,256	18,006,248	6,580	34,273	367,245	86,209,637	366,962	27,845,244	368,338	28,179,192
$500,000 under $1,000,000	64,624	43,675,553	393,396	63,647	6,711,792	970	5,032	64,237	36,672,466	64,217	12,499,440	64,530	12,643,907
$1,000,000 or more	29,212	70,340,959	175,969	28,997	11,080,606	208	987	29,026	59,258,981	29,018	19,949,459	29,132	20,151,009
Taxable returns, total	**41,410,472**	**1,883,276,332**	**243,619,029**	**24,305,806**	**292,246,457**	**16,839,384**	**72,348,931**	**41,372,719**	**1,279,632,193**	**41,389,571**	**263,346,144**	**41,410,472**	**264,625,833**
No adjusted gross income	6,385	−2,565,092	40,627	—	—	—	—	—	—	252	307	6,385	118,424
$1 under $1,000	**	**	**	**	**	—	—	—	—	—	—	**	**
$1,000 under $2,000	**1,821	**2,639	**17,287	—	—	**1,819	**6,840	—	—	**1,819	**2,889	**1,821	**2,919
$2,000 under $3,000	**	**	**	**	**	—	—	—	—	—	—	**	**
$3,000 under $4,000	**	**	**	—	—	**	**	—	—	**	**	**	**
$4,000 under $5,000	*5,456	*25,375	*20,733	**1,821	**22,840	*3,637	*13,675	—	—	*5,455	*10,169	*5,456	*10,388
$5,000 under $6,000	*2,289	*13,208	*9,738	*471	*12,220	*1,818	*11,272	—	—	*1,818	*17,707	*2,289	*25,917
$6,000 under $7,000	*6,176	*38,966	*20,970	*2,532	*23,644	—	—	*3,644	*15,075	*5,466	*1,410	*6,176	*10,121
$7,000 under $8,000	58,771	454,827	220,680	*85	*3,055	56,396	212,049	56,867	22,563	58,686	3,028	58,771	3,582
$8,000 under $9,000	142,676	1,217,521	542,548	*3,735	*24,599	137,119	515,567	140,759	149,525	142,578	22,283	142,676	24,573
$9,000 under $10,000	206,452	1,968,685	794,778	*7,375	*41,411	189,935	801,298	204,535	335,994	206,354	33,945	206,452	38,598
$10,000 under $11,000	473,118	4,975,046	1,811,440	21,361	102,185	443,948	2,280,819	473,117	788,770	473,117	83,327	473,118	83,328
$11,000 under $12,000	401,268	4,626,818	1,585,081	42,261	240,451	344,452	1,790,780	401,268	1,015,847	401,268	115,886	401,268	115,896
$12,000 under $13,000	541,944	6,792,766	2,241,893	55,091	334,107	470,475	2,327,245	541,845	1,906,151	541,845	194,182	541,944	194,867
$13,000 under $14,000	661,581	8,936,196	3,052,150	74,987	446,159	575,675	2,666,055	661,580	2,772,739	661,580	297,221	661,581	297,398
$14,000 under $15,000	743,195	10,772,280	3,643,797	106,713	672,339	629,208	2,882,396	742,723	3,603,585	742,723	414,982	743,195	415,640
$15,000 under $16,000	818,380	12,676,097	4,480,867	117,746	698,499	684,207	3,019,470	818,379	4,492,688	818,379	555,586	818,380	555,668
$16,000 under $17,000	762,387	12,567,587	4,054,008	129,619	834,740	615,917	2,742,911	762,387	4,976,949	762,387	620,026	762,387	620,026
$17,000 under $18,000	809,629	14,175,906	4,447,223	134,697	905,226	652,193	2,855,387	809,627	5,999,154	809,627	767,170	809,629	767,271
$18,000 under $19,000	802,912	14,849,724	4,653,404	178,853	1,197,253	609,507	2,657,740	802,049	6,368,468	802,828	820,331	802,912	821,973
$19,000 under $20,000	840,382	16,389,523	4,798,933	196,131	1,324,866	633,335	2,701,495	840,382	7,583,529	840,382	1,011,905	840,382	1,011,905
$20,000 under $25,000	4,206,791	94,754,579	24,623,903	1,281,604	8,855,512	2,895,888	12,140,646	4,203,963	49,297,188	4,204,357	6,648,017	4,206,791	6,649,505
$25,000 under $30,000	4,333,744	119,051,070	26,048,231	1,850,257	13,451,599	2,456,421	10,011,459	4,333,178	69,663,492	4,333,177	9,669,331	4,333,744	9,679,964
$30,000 under $40,000	8,193,252	286,105,885	50,406,729	5,015,444	40,064,878	3,149,475	12,778,845	8,191,844	183,116,641	8,192,277	26,148,776	8,193,252	26,178,412
$40,000 under $50,000	6,543,733	292,044,410	40,116,968	5,140,442	47,699,630	1,388,287	5,863,162	6,542,301	198,733,175	6,542,199	31,695,007	6,543,733	31,712,334
$50,000 under $75,000	7,215,386	431,124,165	43,761,387	6,468,619	76,807,118	743,693	3,289,226	7,213,471	307,500,333	7,213,411	59,698,772	7,215,386	59,765,016
$75,000 under $100,000	1,850,173	157,253,222	11,263,494	1,756,292	30,143,855	93,733	459,183	1,849,555	115,472,240	1,849,245	27,215,909	1,850,173	27,294,913
$100,000 under $200,000	1,320,571	175,171,118	8,098,522	1,265,414	33,228,945	54,519	281,240	1,318,857	133,710,630	1,318,144	37,003,834	1,320,571	37,253,085
$200,000 under $500,000	368,338	106,234,533	2,295,339	361,782	17,800,199	6,552	34,163	367,140	86,191,207	366,962	27,845,244	368,338	28,179,192
$500,000 under $1,000,000	64,530	43,611,925	392,818	63,555	6,620,082	**1,175	**6,008	64,228	36,669,156	64,217	12,499,440	64,530	12,643,907
$1,000,000 or more	29,132	70,007,354	175,483	28,919	10,691,044	**	**	29,020	59,247,092	29,018	19,949,459	29,132	20,151,009
Nontaxable returns, total	**6,331,743**	**26,552,162**	**38,855,858**	**959,584**	**13,299,055**	**4,807,097**	**21,278,502**	**1,041,987**	**3,618,015**	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status —Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married people filing separately, heads of households, and surviving spouses												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
All returns, total	**11,855,357**	**202,001,869**	**51,670,674**	**3,147,081**	**23,721,662**	**8,358,309**	**21,236,744**	**9,112,018**	**117,040,412**	**7,163,144**	**18,967,518**	**7,166,222**	**19,093,580**
No adjusted gross income	48,352	−2,659,236	169,210	—	—	—	—	—	—	**	**	304	9,477
$1 under $1,000	184,752	120,732	755,210	*5,466	*24,264	166,551	407,474	*1,818	*1,691	**1,823	**496	**	**
$1,000 under $2,000	332,374	505,076	1,385,014	*5,464	*20,565	306,896	758,807	*5,458	*3,545	**30,924	**2,073	**32,744	**2,392
$2,000 under $3,000	400,078	1,008,425	1,636,888	17,283	89,782	357,328	895,534	23,653	17,484	**	**	**	**
$3,000 under $4,000	361,920	1,259,506	1,477,618	*12,749	*61,149	336,438	835,849	30,929	26,314	**	**	**	**
$4,000 under $5,000	459,655	2,078,305	1,873,032	15,463	55,752	426,012	1,056,685	75,913	85,531	51,363	5,020	51,364	5,456
$5,000 under $6,000	455,107	2,508,050	2,069,641	*13,667	*79,223	428,272	1,101,073	58,642	93,676	32,748	6,295	32,748	6,295
$6,000 under $7,000	505,870	3,291,547	2,252,277	*12,732	*45,436	475,036	1,215,414	253,600	255,769	54,556	14,023	54,556	14,023
$7,000 under $8,000	512,290	3,836,383	2,237,800	31,833	114,219	456,436	1,159,610	339,542	627,099	69,112	25,048	69,112	25,048
$8,000 under $9,000	497,371	4,226,410	2,168,597	32,750	150,032	452,824	1,191,948	399,167	864,001	95,025	37,290	95,025	37,290
$9,000 under $10,000	519,315	4,937,597	2,297,922	36,039	168,156	472,362	1,209,243	454,625	1,337,431	116,855	43,318	117,309	43,719
$10,000 under $11,000	485,634	5,092,820	2,272,332	34,664	181,818	434,135	1,096,815	454,663	1,618,057	163,206	60,035	163,206	60,035
$11,000 under $12,000	475,560	5,461,681	2,123,186	41,844	170,027	419,169	1,044,723	457,373	2,155,165	260,968	128,507	260,968	128,507
$12,000 under $13,000	457,344	5,712,462	2,041,393	57,755	311,702	393,228	1,007,347	442,796	2,426,813	324,599	179,630	324,599	179,630
$13,000 under $14,000	456,378	6,146,747	2,056,528	76,300	350,990	369,164	933,436	443,645	2,845,705	383,198	249,181	383,198	249,181
$14,000 under $15,000	453,775	6,587,063	1,991,239	90,021	426,293	354,662	887,345	446,498	3,303,919	408,304	330,498	408,304	330,498
$15,000 under $16,000	423,698	6,552,168	1,868,849	101,356	478,541	311,431	787,734	420,975	3,440,025	408,246	394,166	408,246	394,166
$16,000 under $17,000	334,890	5,524,759	1,470,768	87,478	493,843	245,116	612,825	328,388	2,968,800	315,659	365,079	315,659	365,079
$17,000 under $18,000	381,456	6,670,267	1,828,287	98,248	562,619	277,753	711,060	376,002	3,582,264	370,548	430,805	370,548	430,805
$18,000 under $19,000	350,472	6,477,712	1,530,569	116,417	632,224	230,419	577,823	348,654	3,746,976	342,767	476,816	343,197	477,283
$19,000 under $20,000	303,663	5,914,175	1,377,531	99,535	494,829	192,311	488,306	303,659	3,556,079	300,936	457,243	300,940	457,338
$20,000 under $25,000	1,218,581	27,176,420	5,305,151	551,621	3,289,666	648,778	1,652,700	1,212,382	16,961,947	1,203,960	2,318,430	1,204,429	2,324,804
$25,000 under $30,000	814,973	22,339,828	3,522,399	456,630	2,790,952	343,606	875,724	814,971	15,175,680	811,822	2,174,820	811,822	2,181,955
$30,000 under $40,000	814,101	27,790,804	3,432,432	607,863	4,483,941	197,032	529,564	812,702	19,393,843	811,267	3,138,344	811,343	3,141,910
$40,000 under $50,000	310,029	13,709,922	1,306,577	270,206	2,669,090	39,583	122,986	309,560	9,617,627	309,130	1,816,698	309,599	1,817,445
$50,000 under $75,000	202,301	11,940,514	833,341	182,296	2,202,300	20,005	67,173	201,830	8,851,356	201,677	1,997,768	201,730	2,001,452
$75,000 under $100,000	45,483	3,874,335	179,882	43,094	820,906	*2,389	*5,491	44,934	2,876,703	44,934	755,922	45,453	764,162
$100,000 under $200,000	34,360	4,651,426	144,050	33,008	935,434	*1,112	*3,396	34,183	3,593,723	34,082	1,066,120	34,303	1,091,281
$200,000 under $500,000	11,954	3,574,803	48,646	11,708	668,890	242	612	11,890	2,867,144	11,880	928,852	11,914	959,295
$500,000 under $1,000,000	2,177	1,467,300	8,762	2,170	239,338	5	10	2,138	1,229,396	2,131	417,894	2,163	428,359
$1,000,000 or more	1,444	4,223,867	5,544	1,421	709,681	14	36	1,428	3,516,650	1,424	1,147,145	1,439	1,166,694
Taxable returns, total	**7,166,222**	**173,324,619**	**29,487,078**	**2,862,663**	**21,778,949**	**4,126,486**	**10,376,270**	**7,164,178**	**112,151,260**	**7,163,144**	**18,967,518**	**7,166,222**	**19,093,580**
No adjusted gross income	304	−239,863	872	—	—	—	—	—	—	**	**	304	9,477
$1 under $1,000	**	**	**	—	—	—	—	*1,818	*1,691	**1,823	**496	**	**
$1,000 under $2,000	**32,744	**98,568	**35,048	—	—	*3,636	*1,818	*3,636	*2,767	**30,924	**2,073	**32,744	**2,392
$2,000 under $3,000	**	**	**	**	**	*3,637	*6,838	*7,277	*7,087	**	**	**	**
$3,000 under $4,000	**	**	**	**3,642	**512	*14,553	*27,360	20,011	15,473	**	**	**	**
$4,000 under $5,000	51,364	230,680	88,907	*2,253	*4,880	40,021	75,239	51,363	61,862	51,363	5,020	51,364	5,456
$5,000 under $6,000	32,748	182,354	60,911	—	—	29,108	60,360	32,748	61,083	32,748	6,295	32,748	6,295
$6,000 under $7,000	54,556	352,657	130,604	*1,818	*465	45,465	94,893	54,556	126,418	54,556	14,023	54,556	14,023
$7,000 under $8,000	69,112	514,986	169,641	*5,457	*12,125	54,560	116,435	69,112	220,122	69,112	25,048	69,112	25,048
$8,000 under $9,000	95,025	807,448	271,272	*7,279	*8,408	80,015	202,293	95,025	325,475	95,025	37,290	95,025	37,290
$9,000 under $10,000	117,309	1,115,062	377,844	*14,556	*63,782	99,116	242,213	117,309	433,252	116,855	43,318	117,309	43,719
$10,000 under $11,000	163,206	1,725,627	576,938	*3,637	*12,043	146,371	357,914	163,206	778,639	163,206	60,035	163,206	60,035
$11,000 under $12,000	260,968	3,004,021	933,630	25,468	81,692	222,771	541,127	260,968	1,450,880	260,968	128,507	260,968	128,507
$12,000 under $13,000	324,599	4,059,855	1,260,554	43,206	173,543	275,032	700,164	324,599	1,934,451	324,599	179,630	324,599	179,630
$13,000 under $14,000	383,198	5,164,350	1,542,549	57,677	232,001	314,607	796,062	383,198	2,614,653	383,198	249,181	383,198	249,181
$14,000 under $15,000	408,304	5,930,149	1,688,620	77,284	321,884	321,928	804,200	408,304	3,126,463	408,304	330,498	408,304	330,498
$15,000 under $16,000	408,246	6,314,170	1,751,077	100,451	459,578	296,884	750,784	408,246	3,364,088	408,246	394,166	408,246	394,166
$16,000 under $17,000	315,659	5,211,078	1,328,591	79,157	417,696	234,206	585,114	315,659	2,884,185	315,659	365,079	315,659	365,079
$17,000 under $18,000	370,548	6,481,664	1,766,111	92,794	482,508	272,299	697,207	370,548	3,539,346	370,548	430,805	370,548	430,805
$18,000 under $19,000	343,197	6,342,724	1,482,189	110,961	575,701	228,600	573,203	343,197	3,711,631	342,767	476,816	343,197	477,283
$19,000 under $20,000	300,940	5,860,767	1,365,448	96,812	479,112	192,311	488,306	300,936	3,530,470	300,936	457,243	300,940	457,338
$20,000 under $25,000	1,204,429	26,862,784	5,213,645	537,469	3,116,515	648,778	1,652,700	1,203,960	16,907,219	1,203,960	2,318,430	1,204,429	2,324,804
$25,000 under $30,000	811,822	22,255,209	3,507,473	454,340	2,748,297	342,745	873,820	811,822	15,148,787	811,822	2,174,820	811,822	2,181,955
$30,000 under $40,000	811,343	27,703,304	3,415,780	605,105	4,412,720	197,032	529,564	811,318	19,386,150	811,267	3,138,344	811,343	3,141,910
$40,000 under $50,000	309,599	13,690,516	1,302,492	270,206	2,669,090	39,153	122,178	309,130	9,603,114	309,130	1,816,698	309,599	1,817,445
$50,000 under $75,000	201,730	11,904,023	830,880	181,776	2,168,943	19,954	67,077	201,728	8,846,840	201,677	1,997,768	201,730	2,001,452
$75,000 under $100,000	45,453	3,871,879	179,817	43,064	817,535	*2,389	*5,491	44,934	2,876,703	44,934	755,922	45,453	764,162
$100,000 under $200,000	34,303	4,645,314	143,458	33,002	933,964	*1,061	*3,266	34,132	3,589,004	34,082	1,066,120	34,303	1,091,281
$200,000 under $500,000	11,914	3,562,817	48,513	11,672	653,824	**243	**614	11,882	2,865,290	11,880	928,852	11,914	959,295
$500,000 under $1,000,000	2,163	1,457,594	8,693	2,158	230,411	**	**	**3,556	**4,738,114	2,131	417,894	2,163	428,359
$1,000,000 or more	1,439	4,214,881	5,522	1,419	701,718	*11	*29	**	**	1,424	1,147,145	1,439	1,166,694
Nontaxable returns, total	**4,689,135**	**28,677,249**	**22,183,596**	**284,418**	**1,942,714**	**4,231,823**	**10,860,473**	**1,947,840**	**4,889,152**	—	—	—	—

Footnote(s) at end of table

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status —Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of single persons												
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
All returns, total	**47,398,698**	**661,993,836**	**74,627,613**	**7,215,319**	**62,752,954**	**39,094,390**	**97,202,639**	**38,552,378**	**450,306,499**	**38,141,765**	**85,214,025**	**38,147,102**	**85,483,343**
No adjusted gross income	338,068	−7,444,975	558,919	—	—	—	—	—	—	**	**	1,699	28,677
$1 under $1,000	2,528,998	1,547,137	1,582,066	*6,623	*38,294	2,467,805	3,076,656	772,742	153,678	**742,350	**23,453	742,349	23,450
$1,000 under $2,000	3,197,683	4,788,024	2,195,403	15,466	64,473	3,150,327	5,435,852	1,075,899	501,075	1,000,846	71,284	1,000,846	71,284
$2,000 under $3,000	3,080,607	7,690,923	2,645,695	19,560	194,623	2,965,541	6,925,828	1,330,903	837,464	1,219,037	108,760	1,219,037	108,760
$3,000 under $4,000	2,689,296	9,390,582	2,715,437	34,569	244,153	2,603,338	6,558,090	1,315,546	1,553,414	1,293,266	181,723	1,293,266	181,723
$4,000 under $5,000	2,490,930	11,177,363	3,210,874	30,933	146,201	2,409,957	6,270,128	1,630,335	2,081,037	1,611,698	236,671	1,611,698	236,671
$5,000 under $6,000	2,368,608	13,003,800	3,356,257	68,335	449,972	2,261,171	6,058,559	2,077,115	3,440,136	2,044,381	417,941	2,044,381	417,941
$6,000 under $7,000	2,049,140	13,303,491	3,287,767	103,258	765,139	1,909,028	5,197,791	1,987,294	4,410,842	1,947,371	524,489	1,947,371	524,489
$7,000 under $8,000	2,026,668	15,178,045	3,459,080	90,003	564,233	1,907,566	5,232,155	1,985,258	6,119,002	1,956,680	759,314	1,956,680	759,314
$8,000 under $9,000	1,876,941	15,968,492	3,369,199	114,584	814,857	1,716,866	4,702,078	1,829,180	7,305,512	1,814,152	941,096	1,814,152	941,096
$9,000 under $10,000	1,742,380	16,493,098	3,150,051	105,400	877,943	1,589,245	4,320,573	1,698,346	8,420,833	1,689,259	1,114,021	1,689,259	1,114,021
$10,000 under $11,000	1,586,007	16,623,134	2,957,447	106,834	730,439	1,454,659	3,984,103	1,555,089	9,095,860	1,549,631	1,241,945	1,549,631	1,241,945
$11,000 under $12,000	1,579,712	18,144,098	2,975,216	114,213	858,769	1,444,628	3,930,923	1,557,884	10,596,426	1,553,817	1,464,977	1,553,817	1,464,994
$12,000 under $13,000	1,465,563	18,325,998	2,784,890	152,787	977,928	1,277,359	3,459,105	1,451,014	11,235,555	1,446,940	1,565,201	1,446,940	1,565,201
$13,000 under $14,000	1,412,839	19,066,958	2,727,078	142,463	803,711	1,257,649	3,379,269	1,406,914	12,206,828	1,405,867	1,721,213	1,405,867	1,721,213
$14,000 under $15,000	1,227,750	17,810,228	2,381,463	116,185	761,255	1,100,646	2,941,932	1,215,018	11,804,702	1,215,018	1,687,836	1,215,018	1,687,836
$15,000 under $16,000	1,191,698	18,471,264	2,327,408	135,903	855,566	1,037,168	2,761,505	1,179,032	12,615,776	1,178,601	1,827,877	1,178,601	1,827,877
$16,000 under $17,000	1,149,589	18,980,333	2,247,661	156,018	805,517	965,864	2,573,377	1,148,541	13,350,948	1,147,681	1,908,312	1,147,681	1,909,056
$17,000 under $18,000	1,048,009	18,320,133	2,026,848	167,601	1,087,480	867,250	2,340,896	1,040,736	12,948,862	1,039,957	1,863,323	1,039,957	1,863,323
$18,000 under $19,000	994,156	18,388,396	1,947,858	157,346	965,381	823,230	2,214,453	989,136	13,347,325	989,136	1,927,728	989,136	1,927,728
$19,000 under $20,000	936,266	18,256,276	1,852,071	217,059	1,398,775	709,686	1,885,904	926,667	13,201,055	926,237	1,908,247	926,237	1,908,247
$20,000 under $25,000	3,510,678	78,493,364	6,958,397	966,966	5,779,656	2,508,708	6,630,922	3,495,766	59,278,374	3,489,360	9,033,816	3,489,361	9,039,839
$25,000 under $30,000	2,302,865	62,973,013	4,645,320	967,276	6,212,298	1,312,792	3,504,227	2,295,295	48,749,979	2,294,390	8,533,082	2,294,474	8,533,436
$30,000 under $40,000	2,551,335	87,063,709	5,071,154	1,529,612	11,588,212	1,007,463	2,775,413	2,542,958	67,774,118	2,541,644	13,485,405	2,541,647	13,489,433
$40,000 under $50,000	987,108	43,678,129	2,006,438	758,143	6,991,321	222,047	641,797	984,337	34,087,638	984,235	7,803,273	985,670	7,816,092
$50,000 under $75,000	681,047	40,255,190	1,395,272	586,349	7,104,567	93,182	301,661	679,691	31,543,789	679,096	8,084,214	679,682	8,105,955
$75,000 under $100,000	166,409	14,140,845	342,326	149,177	2,470,386	16,185	50,918	166,021	11,287,834	165,630	3,210,736	166,015	3,218,089
$100,000 under $200,000	156,635	20,866,941	321,204	143,923	4,024,682	12,178	39,088	154,265	16,553,486	154,113	5,009,946	155,036	5,071,060
$200,000 under $500,000	48,874	14,116,407	101,719	46,416	2,489,850	2,373	7,882	48,627	11,567,034	48,611	3,774,705	48,783	3,839,755
$500,000 under $1,000,000	8,551	5,755,391	18,076	8,123	852,318	387	1,278	8,519	4,892,777	8,513	1,652,981	8,535	1,672,881
$1,000,000 or more	4,288	11,168,046	9,019	4,194	1,834,952	92	275	4,250	9,345,138	4,248	3,130,458	4,276	3,171,959
Taxable returns, total	**38,147,102**	**644,177,292**	**61,421,415**	**6,745,211**	**55,893,791**	**30,858,968**	**78,096,020**	**38,138,829**	**449,606,244**	**38,141,765**	**85,214,025**	**38,147,102**	**85,483,343**
No adjusted gross income	1,699	−394,119	2,822	—	—	—	—	—	—	**	**	1,699	28,677
$1 under $1,000	742,349	550,948	3,454	—	—	740,531	402,152	740,531	152,120	**742,350	**23,453	742,349	23,450
$1,000 under $2,000	1,000,846	1,483,986	( )	**	**	999,028	997,110	1,000,846	485,320	1,000,846	71,284	1,000,846	71,284
$2,000 under $3,000	1,219,037	3,134,635	9,280	**5,455	**7,521	1,211,759	2,419,155	1,217,218	712,465	1,219,037	108,760	1,219,037	108,760
$3,000 under $4,000	1,293,266	4,486,237	29,377	*3,636	*5,272	1,261,890	2,948,972	1,293,266	1,505,030	1,293,266	181,723	1,293,266	181,723
$4,000 under $5,000	1,611,698	7,382,030	1,478,597	*3,636	*12,155	1,563,929	3,835,419	1,611,698	2,060,041	1,611,698	236,671	1,611,698	236,671
$5,000 under $6,000	2,044,381	11,246,191	2,711,481	*10,910	*28,758	1,996,187	5,083,617	2,044,381	3,421,880	2,044,381	417,941	2,044,381	417,941
$6,000 under $7,000	1,947,371	12,643,149	3,046,029	52,319	193,326	1,858,198	5,032,959	1,947,371	4,369,562	1,947,371	524,489	1,947,371	524,489
$7,000 under $8,000	1,956,680	14,652,405	3,253,058	59,506	236,499	1,868,075	5,103,874	1,956,680	6,067,193	1,956,680	759,314	1,956,680	759,314
$8,000 under $9,000	1,814,152	15,438,572	3,211,881	71,803	319,477	1,696,858	4,638,053	1,814,152	7,265,814	1,814,152	941,096	1,814,152	941,096
$9,000 under $10,000	1,689,259	15,993,877	3,009,227	67,733	327,051	1,573,791	4,276,919	1,689,259	8,379,566	1,689,259	1,114,021	1,689,259	1,114,021
$10,000 under $11,000	1,549,631	16,246,012	2,843,409	79,550	374,264	1,445,567	3,957,446	1,549,631	9,079,886	1,549,631	1,241,945	1,549,631	1,241,945
$11,000 under $12,000	1,553,817	17,847,557	2,917,529	92,385	432,100	1,440,991	3,921,685	1,553,817	10,576,971	1,553,817	1,464,977	1,553,817	1,464,994
$12,000 under $13,000	1,446,940	18,094,293	2,749,859	136,416	693,928	1,275,537	3,454,477	1,446,940	11,205,634	1,446,940	1,565,201	1,446,940	1,565,201
$13,000 under $14,000	1,405,867	18,970,569	2,713,831	135,491	689,554	1,257,649	3,379,269	1,405,867	12,202,996	1,405,867	1,721,213	1,405,867	1,721,213
$14,000 under $15,000	1,215,018	17,626,879	2,357,272	103,453	522,587	1,100,646	2,941,932	1,215,018	11,804,702	1,215,018	1,687,836	1,215,018	1,687,836
$15,000 under $16,000	1,178,601	18,268,521	2,281,798	125,055	628,691	1,034,919	2,755,793	1,178,601	12,610,830	1,178,601	1,827,877	1,178,601	1,827,877
$16,000 under $17,000	1,147,681	18,949,137	2,244,035	154,970	789,525	965,004	2,570,672	1,147,681	13,341,018	1,147,681	1,908,312	1,147,681	1,909,056
$17,000 under $18,000	1,039,957	18,179,164	2,008,679	159,549	890,556	867,250	2,340,896	1,039,957	12,946,255	1,039,957	1,863,323	1,039,957	1,863,323
$18,000 under $19,000	989,136	18,296,330	1,938,320	152,326	809,833	823,230	2,214,453	989,136	13,347,325	989,136	1,927,728	989,136	1,927,728
$19,000 under $20,000	926,237	18,058,743	1,833,803	207,460	1,157,752	709,256	1,884,811	926,237	13,194,465	926,237	1,908,247	926,237	1,908,247
$20,000 under $25,000	3,489,361	78,006,539	6,911,865	952,005	5,360,807	2,503,257	6,617,076	3,489,360	59,161,440	3,489,360	9,033,816	3,489,361	9,039,839
$25,000 under $30,000	2,294,474	62,742,393	4,629,377	958,885	5,908,246	1,312,792	3,504,227	2,294,390	48,747,766	2,294,390	8,533,082	2,294,474	8,533,436
$30,000 under $40,000	2,541,647	86,727,163	5,051,931	1,520,808	11,234,205	1,006,579	2,773,168	2,541,644	67,736,505	2,541,644	13,485,405	2,541,647	13,489,433
$40,000 under $50,000	985,670	43,613,161	2,003,705	756,705	6,921,095	222,047	641,797	984,286	34,086,932	984,235	7,803,273	985,670	7,816,092
$50,000 under $75,000	679,682	40,176,420	1,392,263	584,984	6,983,273	93,182	301,661	679,640	31,541,023	679,096	8,084,214	679,682	8,105,955
$75,000 under $100,000	166,015	14,109,346	341,578	149,174	2,469,822	15,794	49,925	165,630	11,258,325	165,630	3,210,736	166,015	3,218,089
$100,000 under $200,000	155,036	20,670,397	318,406	142,374	3,793,359	12,178	39,088	154,215	16,545,908	154,113	5,009,946	155,036	5,071,060
$200,000 under $500,000	48,783	14,090,597	101,513	46,332	2,460,013	**2,844	**9,413	48,613	11,563,975	48,611	3,774,705	48,783	3,839,755
$500,000 under $1,000,000	8,535	5,745,087	18,044	8,108	840,599	**	**	**12,764	**14,235,299	8,513	1,652,981	8,535	1,672,881
$1,000,000 or more	4,276	11,141,073	8,990	4,183	1,803,525	**	**	**	**	4,248	3,130,458	4,276	3,171,959
Nontaxable returns, total	**9,251,596**	**17,816,544**	**13,206,198**	**470,108**	**6,859,163**	**8,235,422**	**19,106,618**	**413,549**	**700,256**	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers

Table 1.3—All Returns: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of husbands and wives		Separate returns of husbands and wives		Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	106,996,270	2,773,824,198	47,742,215	1,909,828,493	1,589,148	29,093,384	10,210,522	171,670,103	55,687	1,238,382	47,398,698	661,993,836
Salaries and wages	90,984,304	2,163,905,509	41,031,830	1,486,207,919	1,409,232	24,064,817	9,699,202	151,629,775	35,327	577,407	38,808,713	501,425,591
Taxable interest received	67,933,810	168,966,067	36,855,044	104,794,149	649,856	1,567,594	3,743,763	4,639,013	44,775	275,556	26,640,372	57,689,755
Tax-exempt interest	3,227,140	30,469,060	2,074,173	20,194,548	30,405	322,095	109,689	642,337	1,846	7,808	1,011,027	9,302,273
Dividends	22,324,321	66,791,158	13,639,434	41,009,668	202,536	895,938	939,954	2,048,839	20,442	83,129	7,521,955	22,753,585
State income tax refunds	23,225,074	11,374,794	16,701,015	8,700,740	264,417	119,993	1,677,832	605,713	14,823	9,505	4,566,987	1,938,844
Alimony received	481,329	3,210,103	69,696	169,285	10,481	62,400	203,523	1,645,328	—	—	197,629	1,333,090
Business or profession:												
Net income	9,884,338	123,782,540	7,088,235	97,846,701	135,767	1,381,685	454,424	4,510,580	*2,541	*23,482	2,203,371	20,020,091
Net loss	3,117,717	18,321,913	2,285,169	14,026,570	35,107	352,984	136,786	587,090	*2,528	*8,619	658,127	3,346,650
Sales of capital assets reported on Schedule D:												
Net gain	11,696,264	144,172,755	7,312,600	106,412,099	106,846	2,579,124	440,063	3,570,221	12,508	172,866	3,824,247	31,438,446
Net loss	3,753,877	6,774,029	2,329,718	4,382,665	43,125	44,838	154,175	267,576	8,088	14,281	1,218,771	2,064,669
Sales of property other than capital assets	1,776,393	650,378	1,352,047	469,741	17,570	−34,019	50,604	−36,360	2,173	2,302	353,999	248,713
Pensions and annuities in AGI	16,497,586	124,754,833	10,683,539	89,901,823	131,122	809,542	733,122	3,481,999	23,495	127,606	4,926,308	30,433,862
Rent and Royalty:												
Net income	4,924,617	26,378,364	3,511,021	20,501,048	51,001	275,130	175,920	693,138	6,755	25,987	1,179,920	4,883,061
Net loss	5,696,461	35,633,121	4,118,026	27,428,908	47,361	324,000	271,228	1,371,108	2,793	12,480	1,257,053	6,496,627
Farm rental income less loss	615,181	1,931,819	364,447	1,030,102	3,216	19,016	18,581	21,638	—	—	228,937	861,063
Partnership and S Corporation net income less loss	5,574,532	24,314,070	4,028,854	20,704,339	65,660	−292,768	172,096	776,620	3,144	2,027	1,304,778	3,123,852
Estate or trust net income less loss	795,960	4,323,982	370,977	1,618,622	9,197	211,120	23,709	167,722	60	−617	392,017	2,327,135
Farm net income less loss	2,420,186	−1,323,464	2,003,407	−672,225	10,893	−162,540	39,362	−113,444	*4,699	−3,785	361,825	−371,470
Unemployment compensation in AGI	7,370,742	12,286,674	4,481,230	7,876,369	108,552	165,214	888,631	1,324,776	*1,819	*446	1,890,510	2,919,869
Social Security benefits in AGI	3,637,211	12,524,112	2,420,785	8,968,054	37,816	98,772	69,027	195,124	*4,831	*11,392	1,104,752	3,250,769
Foreign earned income exclusion	168,057	6,405,125	108,349	4,515,449	12,238	364,520	†	†	†	†	42,768	1,375,855
Other income less loss	6,721,978	−16,985,771	4,483,650	−13,588,956	72,523	−1,171,321	378,022	237,143	3,329	−17,501	1,784,454	−2,445,137
Total statutory adjustments	11,620,127	30,116,329	7,816,453	21,779,957	112,531	409,552	620,479	1,352,713	7,935	15,970	3,062,729	6,558,137
Employee business expenses	1,419,456	4,065,923	1,051,097	3,057,418	10,442	18,419	66,698	156,259	—	—	291,219	833,828
Primary IRA payments	6,799,280	10,342,201	4,259,982	6,500,015	70,297	119,408	411,661	580,020	7,932	15,601	2,049,408	3,127,156
Secondary IRA payments	2,944,294	3,723,521	2,944,294	3,723,521	—	—	—	—	—	—	—	—
Payments to a Keogh plan	759,083	6,183,441	619,076	5,191,337	†	†	25,330	170,912	†	†	113,042	787,722
Alimony paid	597,275	4,007,869	283,308	1,945,970	16,592	145,643	52,060	386,106	—	—	245,315	1,530,150
Total itemized deductions	35,627,790	392,020,128	25,265,390	305,545,511	559,959	4,494,155	2,566,800	18,948,965	20,322	278,543	7,215,319	62,752,954
Medical and dental expense deduction	5,356,057	17,151,819	3,461,976	8,778,141	84,166	155,378	461,802	670,663	*12,279	*16,257	1,335,834	7,531,381
Taxes paid deduction	34,866,323	119,388,068	24,946,263	93,547,507	536,326	1,464,645	2,508,124	5,577,749	20,322	79,249	6,855,288	18,718,918
Interest paid deduction	33,125,737	179,942,422	24,206,366	145,535,253	475,485	2,019,145	2,453,092	9,536,636	18,426	143,917	5,972,368	22,707,472
Contributions deduction	32,229,545	49,623,907	23,389,803	39,295,082	438,846	516,743	2,278,858	2,034,987	16,689	22,858	6,105,349	7,754,237
Casualty or theft loss	219,905	1,386,421	141,728	1,060,232	*4,191	*17,643	19,287	45,192	*1,383	*7,522	53,316	255,831
Moving expense deduction	960,651	3,704,175	702,559	2,976,316	8,540	25,511	35,426	113,135	*98	*937	214,028	588,277
Total Miscellaneous deductions	9,187,957	20,823,316	6,133,456	14,352,982	135,968	295,089	703,101	970,603	6,064	7,805	2,209,368	5,196,838
Basic standard deduction	69,099,180	203,070,218	21,646,481	88,169,215	934,738	1,786,380	7,393,157	19,144,185	30,414	118,326	39,094,390	93,852,112
Additional standard deduction	10,111,806	8,996,598	5,470,925	5,458,218	60,630	36,378	196,541	149,555	*3,201	*1,921	4,380,509	3,350,527
Taxable income	90,079,102	1,850,597,119	42,414,706	1,283,250,208	1,335,747	20,803,168	7,735,147	95,555,276	41,124	681,968	38,552,378	450,306,499
Total tax credits	12,901,020	6,329,438	8,020,236	4,248,923	22,266	76,037	4,241,010	1,625,026	16,065	4,182	601,443	375,269
Child care credit	8,519,523	3,438,314	6,053,672	2,324,653	—	—	2,365,569	1,073,795	*4,598	*1,955	95,684	37,912
Credit for the elderly and disabled	354,308	66,633	104,886	27,096	—	—	*9,093	*2,539	—	—	240,329	36,998
Foreign tax credit	559,555	1,099,484	370,203	819,074	14,106	65,474	15,394	38,749	*515	*276	159,337	175,912
Earned income credit used to offset income tax before credits	3,708,044	641,867	1,221,710	153,714	—	—	2,475,421	486,253	*10,913	*1,900	—	—
Mortgage interest credit	9,599	3,515	*5,058	*2,225	—	—	—	—	—	—	*4,541	*1,290
General business credit	514,112	1,018,624	410,784	872,542	7,791	9,898	7,065	19,482	*40	*51	88,432	116,650
Income tax after credits	86,694,480	367,527,687	41,389,571	263,346,144	1,319,808	4,450,963	5,810,783	14,370,842	32,553	145,713	38,141,765	85,214,025
Alternative minimum tax	139,779	1,674,898	103,512	1,279,562	5,726	65,734	5,306	59,419	*14	*909	25,221	269,274
Total income tax	86,723,796	369,202,757	41,410,472	264,625,833	1,322,208	4,516,697	5,811,458	14,430,262	32,556	146,622	38,147,102	85,483,343
Total tax liability	88,551,492	384,538,143	42,579,318	276,671,232	1,359,993	4,683,251	5,912,959	14,912,806	35,676	150,154	38,663,546	88,120,701
Total taxpayments	97,983,088	411,076,700	44,974,689	287,264,919	1,432,601	4,593,103	9,633,172	21,707,969	48,923	160,881	41,893,703	97,349,827
Income tax withheld	90,877,273	319,163,468	41,533,092	220,218,838	1,376,951	3,287,339	9,425,013	19,563,848	39,955	85,728	38,502,262	76,007,716
Estimated tax payments	12,154,648	74,058,280	7,141,980	53,173,985	78,452	935,764	356,997	1,709,560	13,400	61,332	4,563,819	18,177,639
Overpayment refunded	77,608,482	69,627,753	32,734,245	41,428,747	997,617	554,331	9,308,156	9,819,193	34,636	38,499	34,533,828	17,786,983
Tax due at time of filing	23,776,240	49,921,337	12,481,884	36,805,480	501,374	794,105	717,150	1,362,778	14,104	29,475	10,061,728	10,929,499

* Estimate should be used with caution because of the small number of sample returns on which it is based
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals
NOTE: Detail may not add to total because of rounding

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest received		Tax-exempt interest		Dividends		State income tax refunds	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	**106,996,270**	**2,773,824,198**	**90,984,304**	**2,163,905,509**	**67,933,810**	**168,966,067**	**3,227,140**	**30,469,060**	**22,324,321**	**66,791,158**	**23,225,074**	**11,374,794**
No adjusted gross income	841,509	−39,903,703	328,499	6,094,101	524,442	3,958,223	34,214	699,499	231,351	900,769	120,869	165,121
$1 under $1,000	2,849,870	1,742,974	1,858,383	1,834,116	1,186,365	522,712	27,283	52,557	280,273	120,476	36,780	3,577
$1,000 under $2,000	3,687,486	5,530,575	2,979,037	4,779,971	1,458,318	829,507	*11,368	*8,976	326,695	207,069	26,291	8,839
$2,000 under $3,000	3,746,316	9,363,997	3,156,145	7,789,192	1,530,313	1,005,500	*10,913	*60,505	326,834	246,332	50,535	13,074
$3,000 under $4,000	3,353,241	11,718,866	2,783,742	9,422,532	1,457,800	1,308,249	18,193	41,665	289,754	244,432	69,486	15,539
$4,000 under $5,000	3,337,849	15,007,069	2,695,081	11,320,233	1,431,442	1,517,526	18,865	37,598	294,085	297,125	67,403	22,374
$5,000 under $6,000	3,306,589	18,180,848	2,601,799	13,258,775	1,528,654	2,194,894	16,491	32,570	308,550	337,878	82,373	19,656
$6,000 under $7,000	3,115,543	20,233,030	2,392,277	14,726,487	1,441,811	2,425,706	*15,451	*162,956	341,907	350,905	122,662	24,903
$7,000 under $8,000	3,204,919	24,018,480	2,505,148	17,395,034	1,470,676	2,412,343	21,384	59,353	298,491	340,562	140,100	28,128
$8,000 under $9,000	3,095,315	26,350,209	2,400,843	18,908,791	1,419,044	2,825,723	31,390	154,261	365,866	455,536	142,344	46,210
$9,000 under $10,000	2,975,075	28,208,895	2,374,178	20,626,601	1,362,007	2,615,174	23,646	34,795	368,534	566,903	133,744	28,445
$10,000 under $11,000	2,953,767	30,978,952	2,294,506	22,395,494	1,484,266	3,130,800	31,381	57,034	314,714	493,439	167,920	35,430
$11,000 under $12,000	2,809,395	32,308,167	2,203,767	23,574,709	1,434,288	3,046,457	27,711	174,267	341,096	633,256	178,543	39,495
$12,000 under $13,000	2,770,699	34,643,686	2,238,967	25,739,298	1,476,848	3,264,819	25,125	103,890	348,570	665,441	231,023	56,089
$13,000 under $14,000	2,733,013	36,874,713	2,239,865	28,063,866	1,449,387	3,091,498	44,108	79,079	373,550	813,537	233,775	57,698
$14,000 under $15,000	2,559,563	37,114,586	2,151,106	28,709,121	1,443,891	3,002,885	33,093	123,013	352,236	612,019	234,389	79,468
$15,000 under $16,000	2,499,483	38,713,545	2,120,732	30,770,837	1,376,368	2,843,939	27,461	56,403	303,427	615,431	229,404	53,722
$16,000 under $17,000	2,301,099	37,967,021	1,954,721	29,815,495	1,308,137	2,835,317	35,392	131,683	377,144	762,392	268,498	77,117
$17,000 under $18,000	2,292,106	40,095,118	1,950,359	31,710,470	1,283,057	3,023,671	28,811	123,024	343,833	686,201	284,550	88,817
$18,000 under $19,000	2,195,515	40,602,845	1,886,520	32,669,085	1,320,225	2,826,630	28,957	98,764	336,351	778,951	340,845	98,076
$19,000 under $20,000	2,121,480	41,361,029	1,843,303	33,251,083	1,271,964	2,505,336	45,122	100,416	372,714	730,467	357,132	89,461
$20,000 under $25,000	9,055,809	203,096,623	8,111,079	168,567,217	5,941,248	10,714,009	196,156	1,111,669	1,594,843	3,120,409	1,929,178	560,708
$25,000 under $30,000	7,494,827	205,551,504	6,826,961	173,317,729	5,430,381	9,934,063	202,453	1,338,606	1,609,047	2,979,279	2,259,753	670,811
$30,000 under $40,000	11,604,644	402,500,618	10,712,383	343,052,403	9,401,862	17,316,364	402,395	1,962,653	3,129,941	5,854,486	4,705,627	1,678,707
$40,000 under $50,000	7,862,901	350,409,748	7,309,410	297,559,358	6,924,614	14,268,963	333,687	1,663,078	2,611,791	5,237,368	4,045,251	1,542,993
$50,000 under $75,000	8,110,447	484,023,071	7,514,217	400,465,521	7,564,197	20,809,025	663,799	5,311,848	3,689,947	9,546,787	4,533,861	2,352,038
$75,000 under $100,000	2,064,189	175,453,698	1,852,082	131,916,398	1,998,037	9,408,683	308,615	2,513,555	1,270,456	5,331,348	1,141,503	896,778
$100,000 under $200,000	1,513,654	200,973,127	1,256,584	123,258,529	1,479,326	14,042,186	354,822	4,774,171	1,071,547	8,968,169	799,169	1,071,722
$200,000 under $500,000	429,671	124,073,791	351,982	67,535,740	425,006	9,243,953	154,131	4,339,211	352,892	6,654,428	230,249	726,032
$500,000 under $1,000,000	75,352	50,898,244	61,673	23,517,371	74,987	4,132,838	35,780	2,301,475	66,162	2,899,461	41,137	313,301
$1,000,000 or more	34,944	85,732,872	28,955	21,859,952	34,849	7,909,073	18,943	2,760,484	31,720	5,340,302	20,680	510,466
Taxable returns, total	**86,723,796**	**2,700,778,243**	**75,409,255**	**2,078,363,063**	**60,441,152**	**153,292,939**	**3,053,804**	**28,830,706**	**20,511,065**	**63,533,107**	**22,140,285**	**10,905,153**
No adjusted gross income	8,388	−3,199,074	6,065	690,663	8,286	736,012	2,220	95,910	6,182	169,011	2,353	17,534
$1 under $1,000	744,168	552,639	216,390	122,361	636,881	281,743	*12,730	*20,642	169,541	65,203	*3,637	*71
$1,000 under $2,000	1,006,300	1,491,204	593,078	765,952	945,861	474,581	*5,456	*364	241,754	138,382	*3,636	*620
$2,000 under $3,000	1,226,315	3,154,079	1,048,186	2,444,231	828,087	425,380	*1,818	*76	199,929	138,136	*9,096	*371
$3,000 under $4,000	1,313,280	4,559,092	1,222,354	3,928,846	722,280	372,332	*5,456	*2,295	139,926	114,310	*10,911	*331
$4,000 under $5,000	1,668,518	7,638,086	1,482,877	6,308,950	728,300	503,322	*9,523	*3,641	146,973	118,428	21,821	12,557
$5,000 under $6,000	2,079,418	11,441,752	1,819,889	9,348,951	916,868	947,284	*9,135	*5,559	164,073	159,445	20,923	5,784
$6,000 under $7,000	2,008,103	13,034,772	1,603,077	9,781,036	959,936	1,527,837	*7,272	*127,611	226,607	241,714	55,275	8,265
$7,000 under $8,000	2,084,563	15,622,218	1,678,785	11,768,475	994,460	1,533,350	*14,112	*52,445	213,541	253,630	74,578	13,135
$8,000 under $9,000	2,051,853	17,463,542	1,648,405	13,123,081	948,421	1,716,073	*13,587	*7,749	216,726	277,444	59,540	14,341
$9,000 under $10,000	2,013,020	19,077,624	1,637,142	14,442,146	967,845	1,741,517	*14,551	*31,929	247,254	408,308	63,758	13,515
$10,000 under $11,000	2,185,955	22,946,685	1,636,375	15,861,542	1,238,312	2,737,069	29,562	30,697	263,496	407,728	108,726	21,576
$11,000 under $12,000	2,216,053	25,478,396	1,695,274	18,178,388	1,219,534	2,674,835	24,067	167,475	285,810	557,964	136,782	29,505
$12,000 under $13,000	2,313,483	28,946,913	1,837,814	21,201,552	1,291,944	2,915,813	21,922	89,466	320,454	627,183	185,553	48,300
$13,000 under $14,000	2,450,646	33,071,115	2,016,589	25,152,743	1,345,674	2,906,485	44,107	79,078	342,061	730,192	195,871	44,449
$14,000 under $15,000	2,366,517	34,329,309	1,993,703	26,761,798	1,334,496	2,874,163	28,630	79,948	328,369	574,497	192,561	64,427
$15,000 under $16,000	2,405,227	37,258,788	2,045,027	29,448,812	1,328,295	2,698,388	27,220	56,079	294,728	601,118	213,674	47,860
$16,000 under $17,000	2,225,727	36,727,802	1,891,750	28,733,462	1,267,319	2,749,262	34,922	122,298	365,757	755,041	253,330	68,545
$17,000 under $18,000	2,220,134	38,836,735	1,896,252	30,994,708	1,230,523	2,848,516	28,571	122,123	333,947	652,586	260,432	80,895
$18,000 under $19,000	2,135,245	39,488,778	1,830,816	31,703,560	1,284,326	2,750,243	28,957	98,764	325,596	749,242	321 644	89,147
$19,000 under $20,000	2,067,559	40,309,033	1,808,976	32,658,014	1,237,952	2,355,964	43,737	90,727	358,826	676,462	339,194	86,176
$20,000 under $25,000	8,900,581	199,623,902	7,990,863	166,052,799	5,810,694	10,252,718	191,950	894,692	1,549,213	2,957,889	1,885,115	535,769
$25,000 under $30,000	7,440,040	204,048,673	6,793,460	172,509,673	5,385,934	9,676,501	191,771	1,166,604	1,585,409	2,856,113	2,243,191	653,230
$30,000 under $40,000	11,546,242	400,536,352	10,673,554	341,890,899	9,350,591	17,050,842	399,073	1,890,285	3,111,107	5,693,599	4,685,431	1,664,202
$40,000 under $50,000	7,839,002	349,348,086	7,290,416	296,846,100	6,901,575	14,055,546	332,901	1,657,917	2,602,852	5,177,649	4,033,721	1,532,414
$50,000 under $75,000	8,096,798	483,204,608	7,504,507	399,975,355	7,551,561	20,578,180	659,348	5,290,272	3,682,676	9,470,659	4,529,524	2,348,268
$75,000 under $100,000	2,061,641	175,234,447	1,851,367	131,850,507	1,995,489	9,330,896	308,428	2,498,274	1,268,559	5,227,323	1,141,124	896,178
$100,000 under $200,000	1,509,910	200,486,828	1,254,193	123,006,787	1,475,686	13,766,760	354,105	4,764,688	1,069,561	8,941,713	797,074	1,062,968
$200,000 under $500,000	429,035	123,887,946	351,593	67,475,893	424,401	9,140,519	153,997	4,329,415	352,437	6,625,403	230,063	724,532
$500,000 under $1,000,000	75,228	50,814,606	61,592	23,496,365	74,866	4,074,705	35,757	2,296,790	66,065	2,887,958	41,095	312,781
$1,000,000 or more	34,847	85,363,309	28,886	21,839,412	34,755	7,596,103	18,919	2,756,892	31,636	5,278,778	20,652	507,407
Nontaxable returns, total	**20,272,474**	**73,045,955**	**15,575,049**	**85,542,447**	**7,492,658**	**15,673,128**	**173,336**	**1,638,354**	**1,813,256**	**3,258,051**	**1,084,789**	**469,641**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alimony received		Business or profession				Sales of capital assets reported on Schedule D				Sales of property other than capital assets			
			Net income		Net loss		Net gain		Net loss		Net gain		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All returns, total	**481,329**	**3,210,103**	**9,884,338**	**123,782,540**	**3,117,717**	**18,321,913**	**11,696,264**	**144,172,755**	**3,753,877**	**6,774,029**	**982,545**	**5,274,031**	**793,848**	**4,623,652**
No adjusted gross income	3,046	8,934	104,305	1,489,875	340,932	6,091,780	161,878	5,652,360	111,915	253,285	47,695	575,138	72,164	1,874,640
$1 under $1,000	*3,640	*3,276	145,289	159,217	42,917	104,142	119,203	115,755	30,262	32,527	**1,417	**6,795	*10,481	*37,194
$1,000 under $2,000	—	—	146,265	254,003	24,320	80,197	153,149	94,861	32,103	54,934	**	**	*1,912	*2,679
$2,000 under $3,000	*1,818	*545	198,277	393,706	46,259	240,979	138,774	127,257	45,493	78,153	*7,233	*19,151	*8,426	*12,837
$3,000 under $4,000	*9,095	*17,812	215,289	634,644	42,371	152,903	138,085	171,339	48,737	73,473	*4,979	*13,283	*5,454	*47,133
$4,000 under $5,000	*9,092	*28,275	207,052	711,316	38,036	166,832	125,380	171,839	45,884	69,920	*10,116	*26,557	13,933	63,484
$5,000 under $6,000	18,194	71,920	209,321	887,543	45,274	146,092	160,184	331,216	37,769	81,766	*18,292	*14,017	*7,224	*44,886
$6,000 under $7,000	*16,378	*71,104	236,276	1,112,461	55,556	148,479	143,133	211,848	59,763	96,542	18,734	73,768	*2,384	*4,362
$7,000 under $8,000	*7,273	*27,745	233,990	1,170,147	49,987	161,025	137,560	293,715	50,957	71,016	*4,542	*3,897	*14,042	*3,470
$8,000 under $9,000	*14,553	*63,367	239,096	1,347,838	47,465	135,236	178,129	432,189	50,106	103,697	*11,258	*29,033	*5,122	*3,128
$9,000 under $10,000	*10,912	*46,831	231,448	1,413,626	33,695	122,553	174,297	509,784	55,924	93,241	30,192	54,461	*4,939	*300
$10,000 under $11,000	*16,373	*76,064	257,841	1,530,520	45,522	178,431	172,006	368,176	39,422	85,045	*12,747	*10,639	*7,257	*73,253
$11,000 under $12,000	*7,277	*19,130	226,197	1,398,702	32,786	98,700	197,516	415,543	55,865	100,451	16,604	44,853	*12,743	*13,393
$12,000 under $13,000	20,004	95,306	220,998	1,407,441	55,554	225,378	192,553	478,587	66,427	117,727	23,029	26,781	16,861	32,148
$13,000 under $14,000	*14,548	*33,265	185,806	1,339,458	56,440	192,543	200,491	446,887	62,651	87,381	*15,904	*38,158	*14,326	*39,171
$14,000 under $15,000	*14,549	*45,911	220,123	1,612,439	53,276	173,247	170,988	485,145	61,285	95,159	16,796	42,253	*2,515	*6,974
$15,000 under $16,000	23,645	117,771	179,211	1,138,405	50,570	251,910	134,819	426,594	51,784	61,991	*11,384	*48,242	10,219	43,667
$16,000 under $17,000	*10,910	*24,235	162,088	1,176,201	40,592	134,682	179,119	451,584	66,393	110,936	*9,136	*29,697	*9,098	*48,347
$17,000 under $18,000	*12,732	*77,800	180,337	1,393,170	51,658	210,556	183,668	526,603	59,389	81,145	*5,715	*6,812	*8,331	*25,414
$18,000 under $19,000	*14,553	*48,572	175,159	1,345,007	58,690	163,688	165,074	423,241	57,666	115,448	*14,392	*56,467	11,141	42,959
$19,000 under $20,000	18,188	64,332	144,417	1,215,559	59,653	231,997	158,625	547,845	55,964	95,012	11,512	46,361	*7,269	*65,882
$20,000 under $25,000	56,015	330,672	882,037	8,135,239	258,728	806,111	861,273	2,443,732	263,412	521,814	63,735	165,685	61,398	194,868
$25,000 under $30,000	51,082	302,759	798,341	7,422,010	249,903	904,202	770,313	2,771,835	247,368	438,446	87,376	362,074	45,751	110,803
$30,000 under $40,000	53,609	478,309	1,306,900	12,880,603	421,704	1,468,909	1,519,530	5,514,411	513,936	895,808	144,462	434,288	90,497	289,504
$40,000 under $50,000	27,734	299,256	893,622	11,436,614	320,826	1,167,057	1,227,498	5,737,577	399,385	662,973	76,238	361,192	66,325	240,733
$50,000 under $75,000	30,509	385,464	1,082,801	19,795,369	345,520	1,380,210	1,960,623	13,299,329	612,221	1,098,826	137,361	725,418	106,405	393,065
$75,000 under $100,000	8,976	224,804	359,746	10,737,299	102,394	489,577	812,597	9,544,106	250,894	492,527	61,843	376,421	53,524	167,942
$100,000 under $200,000	4,847	97,183	336,076	18,370,556	100,530	1,009,326	805,476	22,851,408	223,810	468,370	69,203	601,058	70,604	294,508
$200,000 under $500,000	1,470	130,869	84,439	7,526,270	34,825	709,459	272,370	22,293,375	77,982	187,032	37,944	522,302	37,814	192,095
$500,000 under $1,000,000	233	4,818	14,719	2,038,745	7,452	375,282	54,391	12,670,879	13,798	35,123	8,129	275,550	9,915	90,088
$1,000,000 or more	74	13,773	6,872	2,308,555	4,282	600,428	27,562	34,363,737	5,312	14,263	4,577	283,679	5,774	164,725
Taxable returns, total	**417,387**	**2,936,321**	**7,925,954**	**113,217,722**	**2,336,464**	**10,361,520**	**10,731,628**	**136,278,263**	**3,289,664**	**5,809,269**	**791,304**	**4,183,944**	**623,786**	**2,096,638**
No adjusted gross income	*6	*379	2,449	140,028	1,692	200,717	5,959	1,547,276	1,094	2,985	1,755	58,303	1,272	61,027
$1 under $1,000	—	—	*7,288	*2,489	—	—	82,261	24,806	*7,274	*3,873	—	—	—	—
$1,000 under $2,000	—	—	*16,399	*12,842	—	—	126,330	62,446	*14,548	*11,183	—	—	—	—
$2,000 under $3,000	—	—	*14,577	*14,932	*5,466	*10,128	104,513	81,029	*14,549	*15,847	—	—	*1,819	*29
$3,000 under $4,000	—	—	18,222	27,369	*1,823	*644	79,059	88,545	*9,091	*4,744	—	—	—	—
$4,000 under $5,000	*3,636	*12,090	66,932	244,430	*7,278	*52,860	73,863	90,577	18,614	24,856	*8,052	*8,532	*3,547	*926
$5,000 under $6,000	*9,095	*33,063	107,502	399,542	*14,576	*25,275	83,534	136,095	*10,917	*19,747	*4,939	*5,285	—	—
$6,000 under $7,000	*9,096	*33,213	110,052	495,132	21,853	73,229	89,625	133,050	36,330	55,378	*2,062	*4,632	*905	*3,045
$7,000 under $8,000	*5,455	*19,710	102,015	517,771	20,593	58,364	88,247	165,443	28,561	29,507	*1,822	*1,960	*4,936	*1,353
$8,000 under $9,000	*5,455	*30,005	112,479	613,429	29,152	54,037	105,398	178,197	19,906	31,286	*6,757	*9,113	*1,917	*233
$9,000 under $10,000	*9,093	*32,279	119,814	742,767	*13,659	*76,062	104,851	222,754	31,367	49,971	*10,922	*27,969	*4,936	*251
$10,000 under $11,000	*14,555	*73,337	155,984	951,960	29,572	81,735	151,600	292,269	35,375	76,927	*12,747	*10,639	*3,643	*8,350
$11,000 under $12,000	*5,455	*10,164	150,773	916,537	19,126	63,242	152,753	297,516	48,119	79,111	*6,367	*9,847	*9,099	*13,324
$12,000 under $13,000	18,186	85,125	164,939	1,019,984	37,805	138,585	168,995	378,172	61,894	105,485	*16,770	*20,737	*10,489	*9,707
$13,000 under $14,000	*14,548	*33,265	141,665	906,121	38,223	118,651	186,476	427,674	49,011	62,782	*14,082	*36,837	*8,089	*22,686
$14,000 under $15,000	*12,731	*45,853	171,936	1,202,309	44,626	130,345	149,101	325,830	59,463	89,693	*11,303	*30,269	*2,275	*6,858
$15,000 under $16,000	23,645	117,771	164,406	1,050,173	45,069	185,633	125,336	323,809	49,063	57,880	*9,095	*25,467	*8,126	*5,864
$16,000 under $17,000	*9,092	*21,326	143,450	986,356	37,338	73,434	169,753	357,332	64,076	105,951	*8,089	*21,950	*6,846	*15,232
$17,000 under $18,000	*10,914	*47,257	161,659	1,239,696	48,222	177,352	171,996	434,824	57,725	77,721	*1,819	*1,182	*8,331	*25,414
$18,000 under $19,000	*14,553	*48,572	165,788	1,245,572	50,019	141,191	151,728	310,278	55,844	109,982	*9,915	*11,119	*9,807	*42,419
$19,000 under $20,000	18,188	64,332	129,831	1,081,964	54,141	210,477	144,699	440,264	55,530	93,713	*10,040	*18,174	*6,800	*65,496
$20,000 under $25,000	**106,626	**624,539	848,572	7,644,461	248,390	749,595	825,987	2,282,215	244,817	484,945	50,587	115,824	55,798	88,662
$25,000 under $30,000	**	**	787,572	7,234,408	242,776	851,633	748,794	2,460,791	238,956	414,755	80,275	336,017	44,808	94,522
$30,000 under $40,000	53,609	478,309	1,294,859	12,691,236	414,308	1,369,407	1,494,410	5,252,704	505,036	871,782	132,911	351,567	84,862	216,485
$40,000 under $50,000	27,734	299,256	886,779	11,287,881	319,318	1,134,264	1,220,866	5,629,906	395,362	651,644	73,623	315,146	64,565	172,911
$50,000 under $75,000	30,509	385,464	1,079,163	19,647,525	343,540	1,331,054	1,956,187	13,136,270	607,287	1,085,792	**197,850	**1,098,069	104,520	358,597
$75,000 under $100,000	8,585	194,727	359,628	10,735,602	101,654	479,814	811,528	9,467,533	250,119	490,362	**	**	53,066	162,367
$100,000 under $200,000	4,847	97,183	335,362	18,316,486	99,899	943,176	803,999	22,723,596	222,835	465,485	68,984	593,830	69,937	279,987
$200,000 under $500,000	1,467	130,511	84,314	7,511,847	34,674	689,399	271,981	22,193,590	77,840	186,640	37,873	516,773	37,731	186,963
$500,000 under $1,000,000	233	4,818	14,694	2,036,552	7,415	370,199	54,301	12,612,627	13,773	35,053	8,112	274,349	9,901	89,544
$1,000,000 or more	74	13,773	6,851	2,300,319	4,257	571,020	27,498	34,200,844	5,288	14,191	4,553	280,356	5,761	164,387
Nontaxable returns, total	**63,942**	**273,782**	**1,958,384**	**10,564,817**	**781,253**	**7,960,393**	**964,636**	**7,894,493**	**464,213**	**964,760**	**191,241**	**1,090,086**	**170,062**	**2,527,015**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Pensions and annuities						Rent				Royalty	
	Total		In adjusted gross income		Not included in AGI		Net income		Net loss (includes nondeductible rent)		Net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
All returns, total	**17,825,764**	**171,839,632**	**16,497,586**	**124,754,833**	**4,090,174**	**47,084,799**	**3,601,804**	**18,721,293**	**5,257,231**	**34,482,957**	**978,531**	**3,792,149**
No adjusted gross income	75,438	1,088,179	59,748	552,598	33,045	535,581	64,464	462,098	156,798	3,922,118	21,883	248,439
$1 under $1,000	47,353	180,477	34,592	61,570	20,503	118,907	12,432	10,069	21,317	148,203	*3,641	*1,350
$1,000 under $2,000	63,239	183,095	55,964	86,751	20,002	96,345	13,343	31,052	16,184	112,103	*1,821	*63
$2,000 under $3,000	166,860	419,134	155,950	257,702	32,729	161,432	39,198	50,257	29,181	107,354	*11,009	*9,823
$3,000 under $4,000	200,018	504,844	190,880	379,120	30,962	125,724	59,509	108,244	56,524	310,376	*12,306	*16,333
$4,000 under $5,000	305,556	999,070	297,378	834,933	31,819	164,136	54,943	117,770	40,021	102,362	22,094	15,882
$5,000 under $6,000	420,838	1,499,589	406,292	1,245,856	46,766	253,733	84,809	135,768	42,817	234,557	20,008	7,185
$6,000 under $7,000	439,943	1,809,245	428,418	1,528,105	55,142	281,141	80,315	197,962	64,748	310,831	18,324	10,303
$7,000 under $8,000	538,249	2,558,253	526,801	2,192,509	59,158	365,744	72,768	183,792	41,737	137,321	*13,214	*15,032
$8,000 under $9,000	515,079	2,637,340	502,688	2,385,972	66,478	251,368	90,610	250,459	68,668	247,271	16,131	15,212
$9,000 under $10,000	501,795	2,932,643	487,762	2,428,289	65,380	504,354	77,806	196,629	48,930	280,092	23,638	46,548
$10,000 under $11,000	528,081	3,066,920	522,622	2,842,632	61,836	224,287	84,881	246,432	53,297	220,294	18,183	10,300
$11,000 under $12,000	547,529	3,564,880	532,964	3,210,566	74,064	354,314	69,036	181,227	46,701	193,902	12,255	16,731
$12,000 under $13,000	513,457	3,695,667	497,100	3,104,031	76,391	591,636	83,377	293,864	66,605	274,663	19,092	13,996
$13,000 under $14,000	482,017	4,124,195	471,129	2,974,123	87,161	1,150,071	74,016	171,816	92,915	269,144	24,468	36,913
$14,000 under $15,000	451,088	2,934,273	438,793	2,731,218	58,828	203,056	60,199	116,829	84,754	348,147	*11,749	*7,629
$15,000 under $16,000	425,291	3,408,896	413,953	3,042,321	48,152	366,575	62,614	171,987	68,270	256,580	20,393	13,849
$16,000 under $17,000	430,794	3,530,121	416,245	3,068,134	64,566	461,987	78,807	157,675	73,045	347,280	*9,574	*50,588
$17,000 under $18,000	393,109	3,757,928	369,462	2,962,561	75,869	795,367	69,688	203,978	58,856	244,899	18,620	11,450
$18,000 under $19,000	364,925	3,108,117	348,554	2,742,429	51,819	365,689	52,210	108,971	82,773	320,414	*13,453	*36,367
$19,000 under $20,000	381,479	3,580,474	375,119	3,087,443	63,690	493,031	67,148	192,937	76,253	282,157	*13,504	*11,539
$20,000 under $25,000	1,471,306	12,573,420	1,383,635	11,117,434	309,087	1,455,987	274,094	743,612	427,876	1,978,323	83,293	162,354
$25,000 under $30,000	1,345,100	12,116,395	1,240,467	9,546,256	310,976	2,570,139	261,490	748,815	398,876	1,769,977	54,500	108,493
$30,000 under $40,000	2,247,566	21,341,890	2,047,225	17,062,893	624,146	4,278,997	432,796	1,431,693	739,623	3,601,155	112,831	219,837
$40,000 under $50,000	1,794,959	20,316,974	1,624,331	14,156,785	499,960	6,160,189	356,057	1,421,667	606,885	3,079,768	94,588	185,347
$50,000 under $75,000	2,061,952	26,729,599	1,787,544	17,390,098	743,880	9,339,501	452,684	2,298,799	958,727	6,013,576	132,850	415,801
$75,000 under $100,000	562,879	10,423,570	457,387	6,034,957	245,740	4,388,614	171,281	1,719,149	351,820	2,730,622	67,195	369,994
$100,000 under $200,000	418,863	10,690,878	324,736	5,206,715	174,173	5,484,163	195,511	2,954,544	339,892	3,628,476	63,162	626,605
$200,000 under $500,000	104,840	5,327,223	80,499	1,736,561	46,171	3,590,663	79,513	2,072,494	113,282	1,847,677	33,280	575,818
$500,000 under $1,000,000	18,183	1,800,000	13,416	456,403	8,128	1,343,597	17,629	914,854	20,088	629,386	7,152	203,123
$1,000,000 or more	7,978	936,342	5,932	327,869	3,553	608,473	8,576	825,853	9,768	533,928	4,320	329,247
Taxable returns, total	**15,517,632**	**160,522,620**	**14,313,287**	**116,170,973**	**3,696,548**	**44,351,647**	**2,998,415**	**16,784,546**	**4,630,611**	**28,086,322**	**827,728**	**3,286,229**
No adjusted gross income	1,952	83,102	1,552	36,412	1,327	46,690	757	38,185	4,463	426,133	769	27,884
$1 under $1,000	*1,820	*397	*1,819	*276	**	**	—	—	—	—	*1,822	*1,115
$1,000 under $2,000	*1,822	*297	*1,822	*297	—	—	*1,819	*1,925	—	—	—	—
$2,000 under $3,000	*7,272	*17,264	*7,272	*17,264	—	—	—	—	—	—	*1,822	*2,134
$3,000 under $4,000	*3,639	*3,069	*3,639	*2,393	**1,819	**796	*1,819	*3,376	—	—	*1,818	*38
$4,000 under $5,000	51,340	190,647	51,340	137,956	*3,636	*52,691	*10,912	*29,506	*5,457	*7,296	*1,822	*177
$5,000 under $6,000	105,036	438,442	101,400	348,758	*9,093	*89,684	23,643	25,470	*6,846	*52,775	*7,274	*4,280
$6,000 under $7,000	226,813	792,163	223,173	715,637	21,830	76,526	39,042	103,050	23,482	65,546	*8,610	*6,892
$7,000 under $8,000	296,855	1,256,302	296,855	1,196,355	25,891	59,947	33,086	86,534	26,322	76,320	*7,275	*14,406
$8,000 under $9,000	288,556	1,449,115	279,030	1,339,688	32,686	109,427	44,848	91,136	29,645	79,415	*5,885	*1,208
$9,000 under $10,000	294,941	1,499,640	289,483	1,349,197	38,190	150,443	36,310	81,909	19,550	70,416	*16,365	*22,833
$10,000 under $11,000	468,493	2,712,520	466,671	2,548,431	49,104	164,089	65,391	197,376	35,751	131,001	*14,547	*7,482
$11,000 under $12,000	484,890	3,196,628	473,969	2,869,341	63,142	327,287	58,638	125,140	34,548	139,953	*4,501	*4,340
$12,000 under $13,000	464,477	3,359,336	449,938	2,823,425	65,478	535,911	62,149	186,700	52,257	229,005	15,460	9,675
$13,000 under $14,000	462,014	3,986,941	452,484	2,845,119	85,803	1,141,822	63,616	162,203	74,127	208,729	20,825	30,177
$14,000 under $15,000	426,525	2,806,300	414,230	2,603,939	57,005	202,361	46,182	70,630	72,432	280,847	*9,025	*1,211
$15,000 under $16,000	411,947	3,312,677	400,609	2,946,102	48,152	366,575	53,598	131,862	58,727	179,119	19,958	13,504
$16,000 under $17,000	428,972	3,530,090	414,423	3,068,103	64,566	461,987	73,184	146,316	66,973	280,087	*7,751	*40,647
$17,000 under $18,000	379,912	3,634,787	356,265	2,868,877	72,232	765,909	60,041	159,661	57,482	241,268	18,620	11,450
$18,000 under $19,000	359,981	3,090,158	343,610	2,724,470	51,819	365,689	48,345	90,904	78,173	303,767	*10,310	*35,176
$19,000 under $20,000	370,569	3,509,878	364,209	3,027,054	60,963	482,823	61,666	167,173	72,460	229,405	*12,599	*10,894
$20,000 under $25,000	1,448,498	12,445,492	1,362,451	11,034,098	300,157	1,411,394	260,899	693,629	407,119	1,763,158	78,789	141,466
$25,000 under $30,000	1,329,027	11,969,437	1,228,066	9,458,512	302,249	2,510,925	250,781	704,352	386,717	1,608,365	51,741	90,718
$30,000 under $40,000	2,239,321	21,263,006	2,039,956	16,991,714	622,716	4,271,291	424,855	1,398,419	732,637	3,481,333	111,300	212,646
$40,000 under $50,000	1,790,777	20,271,159	1,620,858	14,123,566	498,821	6,147,593	354,815	1,401,809	597,062	2,938,985	93,309	164,444
$50,000 under $75,000	2,060,469	26,611,556	1,787,111	17,368,716	742,731	9,242,840	450,487	2,261,310	956,038	5,985,032	131,154	338,347
$75,000 under $100,000	562,735	10,408,499	457,327	6,031,471	245,599	4,377,028	171,195	1,717,135	350,765	2,712,578	67,085	368,453
$100,000 under $200,000	418,113	10,642,001	323,990	5,180,961	173,734	5,461,041	194,790	2,912,580	338,750	3,607,998	62,676	622,879
$200,000 under $500,000	104,733	5,320,374	80,410	1,731,502	46,136	3,588,872	79,390	2,063,565	113,050	1,833,449	33,189	571,480
$500,000 under $1,000,000	18,167	1,797,810	13,402	455,013	8,123	1,342,797	17,602	913,693	20,036	622,046	7,126	202,678
$1,000,000 or more	7,966	923,531	5,923	326,325	3,546	597,206	8,555	819,000	9,742	532,297	4,301	327,596
Nontaxable returns, total	**2,308,132**	**11,317,012**	**2,184,299**	**8,583,860**	**393,626**	**2,733,152**	**603,389**	**1,936,747**	**626,620**	**6,396,634**	**150,803**	**505,920**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Royalty—continued		Farm rental				Partnership and S Corporation				Estate or trust	
	Net loss		Net income		Net loss		Net income		Net loss		Net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
All returns, total	**45,330**	**120,014**	**485,389**	**2,469,459**	**129,792**	**537,640**	**2,558,674**	**72,370,252**	**3,015,858**	**48,056,182**	**679,413**	**5,048,869**
No adjusted gross income	1,782	19,985	6,230	21,077	10,093	75,728	39,667	737,850	174,861	17,377,638	7,230	58,899
$1 under $1,000	—	—	—	—	—	—	12,848	46,750	21,780	135,116	*7,277	*5,200
$1,000 under $2,000	—	—	*7,356	*13,130	*1,822	*16	18,725	17,583	11,742	163,508	*14,550	*13,037
$2,000 under $3,000	—	—	*5,456	*12,614	*5,460	*9,022	20,936	46,562	12,610	30,606	*12,730	*13,847
$3,000 under $4,000	**1,820	**91	*9,093	*18,604	—	—	25,467	57,746	20,793	34,312	*11,382	*17,892
$4,000 under $5,000	**	**	*7,281	*14,840	*5,456	*23,401	19,654	174,608	18,182	98,318	19,481	56,848
$5,000 under $6,000	—	—	*16,367	*25,251	*3,640	*32,056	26,926	109,123	15,835	115,855	*10,909	*26,818
$6,000 under $7,000	*905	*8	*10,914	*25,917	*5,455	*30,544	29,729	124,528	15,648	292,212	*10,909	*23,549
$7,000 under $8,000	—	—	*10,919	*25,068	*4,068	*1,855	32,025	113,397	20,382	131,567	*3,735	*1,688
$8,000 under $9,000	—	—	*9,096	*15,233	*3,640	*19,951	22,518	158,329	30,408	162,272	*13,506	*33,600
$9,000 under $10,000	—	—	*10,915	*43,120	*7,277	*14,290	26,168	104,355	25,043	196,296	*9,521	*25,039
$10,000 under $11,000	—	—	*9,092	*23,180	*7,278	*11,685	41,117	235,861	16,656	222,264	15,478	54,035
$11,000 under $12,000	—	—	*14,550	*53,541	*1,818	*2,174	27,653	87,357	25,624	108,043	*13,161	*29,132
$12,000 under $13,000	—	—	*17,668	*66,033	*3,640	*3,322	35,015	191,734	33,615	179,900	*5,449	*8,844
$13,000 under $14,000	—	—	*14,552	*45,180	—	—	39,956	322,453	32,304	114,553	*16,368	*58,432
$14,000 under $15,000	*1,822	*875	20,003	98,829	—	—	33,166	179,022	18,164	181,069	*13,625	*26,164
$15,000 under $16,000	*905	*392	*7,273	*31,899	*5,454	*4,432	25,138	169,007	22,327	132,568	*9,812	*70,643
$16,000 under $17,000	—	—	*7,273	*32,456	*3,636	*16,482	31,848	192,017	37,051	158,898	*4,547	*7,635
$17,000 under $18,000	—	—	*10,913	*81,770	*2,727	*15,982	23,160	74,465	21,074	148,463	*7,706	*24,032
$18,000 under $19,000	—	—	*14,027	*76,042	*1,822	*1,860	25,876	201,306	42,389	215,925	*6,230	*37,246
$19,000 under $20,000	—	—	*12,290	*68,928	*1,383	*4,587	42,642	397,954	26,731	193,833	17,886	107,375
$20,000 under $25,000	*430	*38	47,693	208,271	*8,359	*32,270	167,261	1,286,550	178,565	940,772	52,359	246,108
$25,000 under $30,000	—	—	33,612	189,061	*6,426	*40,251	132,903	1,103,347	156,080	790,828	40,506	210,793
$30,000 under $40,000	*6,865	*11,532	73,197	407,399	9,851	25,622	294,593	2,820,706	315,422	1,632,012	73,594	343,874
$40,000 under $50,000	*7,040	*7,963	29,216	182,874	10,088	48,771	251,952	2,425,777	313,863	1,546,404	54,435	261,425
$50,000 under $75,000	8,673	29,079	48,855	308,156	6,768	35,233	414,405	5,930,977	530,594	3,199,323	91,972	522,865
$75,000 under $100,000	4,058	5,880	11,592	69,020	6,619	29,307	199,469	4,924,436	308,025	2,348,504	40,742	339,330
$100,000 under $200,000	5,849	13,717	14,957	246,519	4,990	28,388	312,930	13,734,575	365,639	5,272,526	58,215	803,022
$200,000 under $500,000	3,868	15,164	4,224	57,838	1,581	23,761	139,685	13,073,010	158,240	5,217,816	26,884	565,050
$500,000 under $1,000,000	768	6,341	510	4,914	292	3,786	29,039	6,866,460	31,999	2,546,188	5,848	349,566
$1,000,000 or more	545	8,949	265	2,694	149	2,863	16,203	16,462,410	14,212	4,168,590	3,366	706,883
Taxable returns, total	**41,597**	**92,075**	**411,334**	**2,273,922**	**96,049**	**367,197**	**2,317,267**	**70,175,390**	**2,631,469**	**30,004,988**	**606,582**	**4,740,195**
No adjusted gross income	59	226	*33	*88	*12	*221	985	148,123	5,909	2,776,954	215	16,143
$1 under $1,000	—	—	—	—	—	—	*3,637	*1,678	*1,819	*1,696	*1,818	*924
$1,000 under $2,000	—	—	—	—	—	—	*10,910	*8,536	*1,818	*1,294	*10,912	*9,472
$2,000 under $3,000	—	—	—	—	*1,822	*3,354	*12,732	*27,512	*5,456	*4,162	*12,730	*13,847
$3,000 under $4,000	**1,820	**91	*1,818	*5,723	—	—	*5,455	*2,651	*5,460	*4,409	*3,637	*1,912
$4,000 under $5,000	**	**	—	—	*1,819	*13,326	*8,610	*55,455	*9,524	*60,986	*14,026	*45,751
$5,000 under $6,000	—	—	*5,455	*10,637	—	—	*16,366	*43,485	*5,930	*56,242	*10,909	*26,818
$6,000 under $7,000	—	—	*7,276	*17,082	*1,819	*36	*13,635	*81,341	*10,014	*138,045	*9,091	*13,241
$7,000 under $8,000	—	—	*3,641	*5,445	*2,249	*1,659	*15,848	*51,761	*9,176	*49,669	*3,637	*1,653
$8,000 under $9,000	—	—	*7,273	*10,185	*1,818	*12,212	*9,520	*60,299	*13,259	*32,806	*7,272	*13,370
$9,000 under $10,000	—	—	*5,456	*19,701	*5,455	*12,324	*11,290	*40,953	*13,260	*12,153	*7,703	*24,006
$10,000 under $11,000	—	—	*9,092	*23,180	*7,278	*11,685	28,541	112,618	*12,763	*82,065	*11,841	*47,274
$11,000 under $12,000	—	—	*10,910	*41,400	*1,818	*2,174	21,768	45,076	20,009	50,956	*11,343	*25,883
$12,000 under $13,000	—	—	*15,850	*49,107	*3,640	*3,322	31,379	171,169	24,687	108,228	*3,631	*4,041
$13,000 under $14,000	—	—	*12,734	*40,703	—	—	26,371	195,034	28,526	81,522	*14,550	*57,297
$14,000 under $15,000	*1,822	*875	20,003	98,829	—	—	26,799	125,960	15,605	104,313	*13,625	*26,164
$15,000 under $16,000	—	—	*7,273	*31,899	*5,454	*4,432	24,464	162,659	17,653	49,606	*7,754	*60,704
$16,000 under $17,000	—	—	*5,455	*20,368	*3,636	*16,482	31,379	191,778	32,672	86,534	*4,114	*2,751
$17,000 under $18,000	—	—	*10,913	*81,770	**52,220	**227,181	22,253	73,519	16,473	81,835	*5,884	*21,313
$18,000 under $19,000	—	—	*14,027	*76,042	**	**	22,723	175,286	37,689	114,949	*6,230	*37,246
$19,000 under $20,000	—	—	*11,821	*67,728	**	**	36,720	378,897	20,071	59,006	*13,780	*65,888
$20,000 under $25,000	*430	*38	45,883	205,583	**	**	157,976	1,135,827	159,497	615,589	47,719	232,924
$25,000 under $30,000	—	—	33,612	189,061	**	**	130,143	1,087,728	144,404	676,548	38,223	171,101
$30,000 under $40,000	*6,865	*11,532	73,196	407,397	**	**	289,565	2,675,797	309,186	1,490,817	68,595	325,528
$40,000 under $50,000	*7,040	*7,963	29,216	182,874	**	**	249,772	2,355,233	309,014	1,389,929	53,051	243,775
$50,000 under $75,000	8,589	21,553	48,855	308,156	**	**	411,881	5,878,439	526,665	2,959,481	89,505	492,692
$75,000 under $100,000	3,960	5,748	11,592	69,020	**	**	199,387	4,914,848	306,726	2,294,167	40,615	338,956
$100,000 under $200,000	5,846	13,708	14,957	246,519	4,990	28,388	312,380	13,702,985	364,270	5,047,007	58,129	802,726
$200,000 under $500,000	**4,621	**21,393	4,218	57,815	1,578	23,750	139,572	13,060,697	157,882	5,115,910	26,839	563,667
$500,000 under $1,000,000	**	**	510	4,914	292	3,786	29,020	6,864,245	31,909	2,484,668	5,844	349,431
$1,000,000 or more	545	8,949	265	2,694	149	2,863	16,186	16,445,802	14,143	3,973,443	3,360	703,699
Nontaxable returns, total	**3,733**	**27,939**	**74,055**	**195,537**	**33,743**	**170,443**	**241,407**	**2,194,862**	**384,389**	**18,051,194**	**72,831**	**308,674**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Estate or trust—continued		Farm				Unemployment compensation in AGI		Social Security benefits			
	Net loss		Net income		Net loss				Total		Benefits in AGI	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)
All returns, total	**116,547**	**724,886**	**1,053,695**	**10,714,192**	**1,366,491**	**12,037,656**	**7,370,742**	**12,286,674**	**9,827,392**	**77,854,622**	**3,637,211**	**12,524,112**
No adjusted gross income	7,872	154,727	42,872	710,234	109,477	2,942,273	16,248	35,439	89,045	619,895	2,615	8,869
$1 under $1,000	*3,636	*14,189	*15,626	*29,678	*8,088	*26,174	*12,734	*6,168	111,445	686,135	—	—
$1,000 under $2,000	*3,643	*287	*16,038	*10,935	*9,881	*57,744	54,565	45,147	118,700	671,953	*1,818	*2,756
$2,000 under $3,000	—	—	19,213	64,782	*16,425	*76,413	84,556	99,954	217,243	1,473,404	—	—
$3,000 under $4,000	*1,822	*18,870	*8,964	*14,644	*13,755	*52,650	115,474	165,836	222,699	1,462,625	*1,818	*5,203
$4,000 under $5,000	*1,818	*129	48,193	178,910	20,523	128,237	188,144	263,540	253,058	1,617,217	—	—
$5,000 under $6,000	*3,226	*17,857	*19,588	*116,234	*22,815	*64,840	189,168	268,182	363,384	2,574,713	—	—
$6,000 under $7,000	*1,818	*4,967	31,742	150,866	27,786	163,268	194,594	295,257	371,741	2,577,413	*3,636	*8,997
$7,000 under $8,000	—	—	33,522	115,182	23,925	84,293	269,160	397,850	427,595	3,284,151	*3,645	*11,900
$8,000 under $9,000	*430	*345	36,152	240,346	29,680	225,810	264,563	356,886	381,162	2,738,051	*3,636	*4,590
$9,000 under $10,000	*1,916	*46,522	29,051	142,588	*21,863	*82,465	261,845	429,555	334,032	2,607,402	*1,819	*5,979
$10,000 under $11,000	—	—	28,210	162,753	29,096	102,917	204,979	377,814	368,630	2,814,060	—	—
$11,000 under $12,000	*3,201	*51,521	*20,882	*118,985	24,212	192,442	239,158	404,885	337,812	2,665,945	*1,818	*1,364
$12,000 under $13,000	—	—	33,562	124,648	15,267	144,152	211,737	364,393	314,231	2,512,068	*1,818	*2,222
$13,000 under $14,000	*3,638	*5,941	29,097	143,954	34,526	176,934	207,217	365,328	312,162	2,674,565	*1,818	*2,756
$14,000 under $15,000	—	—	25,504	186,556	24,947	130,937	209,145	370,671	241,791	2,008,879	*3,637	*9,021
$15,000 under $16,000	*1,818	*1,923	22,221	72,861	23,678	161,700	219,644	400,998	210,365	1,624,168	*1,818	*2,698
$16,000 under $17,000	*2,248	*1,774	*8,070	*53,198	*14,260	*99,659	209,518	377,738	220,817	1,769,932	*1,818	*15,157
$17,000 under $18,000	—	—	*15,587	*104,484	31,727	127,872	171,384	305,232	218,064	1,762,414	*5,458	*7,518
$18,000 under $19,000	*1,819	*4,067	*20,038	*86,311	28,915	212,786	190,972	326,036	201,280	1,674,725	*13,158	*13,990
$19,000 under $20,000	—	—	27,150	169,153	26,594	123,330	160,080	266,190	176,209	1,316,059	*10,476	*9,277
$20,000 under $25,000	*3,636	*8,325	103,025	1,002,103	134,688	714,681	760,380	1,302,493	719,557	5,673,874	182,743	196,236
$25,000 under $30,000	*6,437	*4,071	75,002	586,546	140,718	843,217	759,049	1,384,347	640,281	5,122,569	430,878	700,005
$30,000 under $40,000	12,959	32,914	142,606	1,448,427	191,744	937,959	1,087,979	1,812,524	1,030,196	8,015,298	1,016,891	2,676,261
$40,000 under $50,000	10,169	13,115	68,049	1,235,918	132,357	840,751	566,272	966,607	703,043	5,882,559	703,043	2,824,388
$50,000 under $75,000	13,398	26,400	81,318	1,501,263	109,041	862,498	434,441	717,061	720,493	6,488,181	720,493	3,246,847
$75,000 under $100,000	9,018	58,369	22,930	781,281	39,738	384,878	64,378	120,319	204,738	2,052,972	204,738	1,026,446
$100,000 under $200,000	13,258	87,831	21,228	692,143	38,511	855,419	20,438	53,798	226,969	2,395,082	226,969	1,197,489
$200,000 under $500,000	6,172	83,836	6,187	287,612	16,330	617,069	2,534	5,378	72,019	844,929	72,019	422,449
$500,000 under $1,000,000	1,616	30,451	1,359	80,942	3,691	262,958	299	832	12,685	165,079	12,685	82,536
$1,000,000 or more	979	56,455	709	100,654	2,233	341,333	87	218	5,946	78,304	5,946	39,161
Taxable returns, total	**98,133**	**557,973**	**753,788**	**8,347,975**	**1,033,451**	**7,459,797**	**6,081,677**	**10,331,143**	**7,732,246**	**62,298,476**	**3,600,735**	**12,414,394**
No adjusted gross income	435	51,024	881	23,821	1,553	70,159	—	—	209	2,994	*169	*847
$1 under $1,000	*1,818	*85	—	—	—	—	—	—	*9,093	*40,604	—	—
$1,000 under $2,000	*1,819	*198	*6,234	*3,011	—	—	*5,456	*3,601	*10,911	*53,927	—	—
$2,000 under $3,000	—	—	*6,234	*9,847	—	—	*5,455	*1,545	*12,731	*67,616	—	—
$3,000 under $4,000	—	—	—	—	—	—	*3,637	*3,963	*10,911	*39,256	—	—
$4,000 under $5,000	*1,818	*129	32,078	104,598	*3,118	*2,819	67,290	103,473	34,546	179,780	—	—
$5,000 under $6,000	—	—	*6,234	*20,728	—	—	87,287	123,585	80,444	465,609	—	—
$6,000 under $7,000	*1,818	*4,967	*7,569	*77,367	*1,764	*37,053	109,131	163,528	202,230	1,270,656	*3,636	*8,997
$7,000 under $8,000	—	—	*11,175	*41,236	*12,468	*14,831	125,492	182,214	236,854	1,604,105	*3,645	*11,900
$8,000 under $9,000	*430	*345	*11,175	*77,547	*12,996	*79,862	158,616	231,189	221,573	1,410,033	*3,636	*4,590
$9,000 under $10,000	*98	*36,139	*12,996	*60,007	*4,453	*31,531	152,757	248,407	198,574	1,347,255	*1,819	*5,979
$10,000 under $11,000	—	—	*17,935	*66,174	24,157	61,361	115,873	203,427	336,665	2,556,971	—	—
$11,000 under $12,000	*3,201	*51,521	*9,351	*64,332	*10,297	*66,709	146,405	230,556	291,315	2,336,216	*1,818	*1,364
$12,000 under $13,000	—	—	*19,231	*39,356	*13,979	*94,293	165,826	268,723	280,357	2,213,705	*1,818	*2,222
$13,000 under $14,000	*3,638	*5,941	24,157	83,069	23,702	117,937	171,752	297,604	292,155	2,525,287	*1,818	*2,756
$14,000 under $15,000	—	—	*21,859	*155,073	*19,648	*75,059	182,297	323,475	226,333	1,901,940	*1,819	*435
$15,000 under $16,000	*1,818	*1,923	*20,041	*46,300	23,677	161,627	207,345	383,363	201,273	1,558,205	*1,818	*2,698
$16,000 under $17,000	*2,248	*1,774	*8,045	*52,733	*14,260	*99,659	199,992	363,468	216,747	1,743,076	*1,818	*15,157
$17,000 under $18,000	—	—	*12,470	*87,786	30,922	100,510	162,291	288,588	210,757	1,695,292	*5,458	*7,518
$18,000 under $19,000	*1,819	*4,067	*16,920	*68,950	22,396	131,154	185,509	318,696	197,209	1,646,064	*13,158	*13,990
$19,000 under $20,000	—	—	*22,210	*114,642	24,751	82,359	156,440	265,711	167,556	1,267,493	*9,093	*8,343
$20,000 under $25,000	*3,636	*8,325	89,727	814,170	123,374	592,558	745,984	1,283,643	700,850	5,512,484	177,632	185,894
$25,000 under $30,000	*6,437	*4,071	67,526	528,095	138,531	787,866	756,569	1,379,898	630,213	5,050,213	422,145	676,322
$30,000 under $40,000	12,957	32,913	129,365	1,200,999	188,258	862,853	1,085,690	1,808,560	1,020,128	7,940,590	1,006,823	2,644,968
$40,000 under $50,000	9,811	13,094	66,904	1,195,126	131,123	769,828	562,459	956,367	701,093	5,863,903	701,093	2,815,158
$50,000 under $75,000	13,313	26,180	81,076	1,472,131	107,986	813,252	434,441	717,061	719,925	6,475,144	719,925	3,240,329
$75,000 under $100,000	9,018	58,369	22,930	781,281	39,519	366,224	**87,596	**180,280	204,569	2,051,413	204,569	1,025,666
$100,000 under $200,000	13,258	87,831	21,228	692,143	38,348	836,851	**	**	226,489	2,391,665	226,489	1,195,781
$200,000 under $500,000	**7,767	**112,658	6,174	287,331	16,272	607,160	**	**	71,933	843,996	71,933	421,982
$500,000 under $1,000,000	**	**	**2,063	**180,122	3,676	258,856	**	**	12,674	164,932	12,674	82,463
$1,000,000 or more	976	56,418	**	**	2,223	337,426	87	218	5,929	78,055	5,929	39,036
Nontaxable returns, total	**18,414**	**166,914**	**299,907**	**2,366,218**	**333,040**	**4,577,859**	**1,289,065**	**1,955,531**	**2,095,146**	**15,556,146**	**36,476**	**109,718**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Foreign earned income exclusion		Other income				Statutory adjustments					
			Net income		Net loss		Total		Employee business expense		Total deductible IRA payments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)
All returns, total	**168,057**	**6,405,125**	**6,198,086**	**15,827,894**	**523,892**	**32,813,666**	**11,620,127**	**30,116,329**	**1,419,456**	**4,065,923**	**7,318,727**	**14,065,722**
No adjusted gross income	31,440	1,044,606	42,832	263,988	210,334	28,273,306	64,051	351,381	985	32,051	16,772	43,930
$1 under $1,000	21,870	551,258	152,246	96,023	*6,432	*178,171	31,846	59,589	*5,466	*30,795	*6,387	*9,749
$1,000 under $2,000	9,472	332,396	88,449	78,663	*4,774	*113,610	26,451	25,411	*2,271	*1,839	*14,560	*21,303
$2,000 under $3,000	*2,915	*131,380	99,660	95,319	10,621	117,528	57,612	78,766	*3,636	*12,050	24,557	36,413
$3,000 under $4,000	6,283	239,500	92,625	160,415	*7,745	*75,614	62,878	53,343	*3,695	*1,938	20,588	30,124
$4,000 under $5,000	4,398	186,449	113,662	208,261	*5,397	*27,839	68,070	87,463	*10,913	*29,163	23,161	33,456
$5,000 under $6,000	*2,915	*107,864	100,075	225,370	*9,972	*102,460	111,486	152,978	*7,277	*31,437	50,991	86,383
$6,000 under $7,000	*2,461	*68,121	118,636	196,107	*8,424	*74,002	90,869	132,422	*12,742	*40,524	36,845	60,544
$7,000 under $8,000	*2,486	*52,621	126,554	233,868	*6,200	*68,216	139,163	232,805	*12,845	*80,091	73,170	114,049
$8,000 under $9,000	3,145	92,247	120,874	236,021	13,686	268,878	140,961	199,387	14,204	34,084	77,227	129,430
$9,000 under $10,000	4,225	144,909	89,594	164,261	*7,327	*83,910	127,311	176,583	*5,459	*13,211	70,699	113,391
$10,000 under $11,000	*2,490	*74,916	114,969	236,786	*8,561	*63,057	154,997	219,813	*10,920	*17,807	103,192	175,982
$11,000 under $12,000	3,894	82,446	87,733	163,246	*2,611	*65,978	182,987	222,421	22,324	38,801	90,245	155,486
$12,000 under $13,000	*981	*28,656	83,559	138,346	18,041	120,721	179,604	272,916	*9,107	*13,599	115,102	206,143
$13,000 under $14,000	*2,839	*109,904	97,815	200,669	*4,542	*12,379	197,754	325,216	*10,144	*17,970	135,895	238,116
$14,000 under $15,000	*2,515	*98,210	79,950	181,870	*5,465	*80,424	194,050	280,863	*10,914	*28,449	111,856	174,150
$15,000 under $16,000	*2,917	*101,859	96,214	205,963	10,027	192,302	173,277	275,581	*12,725	*39,033	113,789	208,159
$16,000 under $17,000	*2,059	*37,616	90,453	135,696	*6,114	*82,032	176,902	292,050	*8,182	*32,126	109,692	200,467
$17,000 under $18,000	2,167	83,328	89,521	188,918	*6,885	*39,208	220,682	407,042	24,116	80,513	142,255	250,233
$18,000 under $19,000	*2,388	*72,349	123,087	298,084	*266	*42,074	234,410	389,160	13,625	26,443	168,173	288,908
$19,000 under $20,000	*1,159	*75,771	101,032	207,810	*5,050	*119,553	219,499	414,824	25,976	57,305	140,816	280,164
$20,000 under $25,000	7,882	295,889	498,315	699,852	21,521	121,954	1,252,517	2,343,546	115,948	266,981	908,501	1,612,699
$25,000 under $30,000	6,697	231,273	481,387	868,621	24,859	195,837	1,250,990	2,393,646	120,042	331,587	949,400	1,683,806
$30,000 under $40,000	8,348	338,315	866,853	1,429,601	31,122	370,126	2,304,889	4,912,371	271,304	719,115	1,711,795	3,368,085
$40,000 under $50,000	5,304	274,423	747,997	1,563,630	22,049	159,214	1,658,059	3,306,019	222,127	523,954	1,160,038	1,882,050
$50,000 under $75,000	8,694	436,125	844,881	1,880,925	27,921	310,717	1,221,671	3,970,876	291,734	834,338	523,411	1,411,955
$75,000 under $100,000	5,502	321,170	284,599	1,055,172	14,705	324,052	438,657	2,232,569	83,585	330,030	183,790	550,649
$100,000 under $200,000	8,161	591,740	250,476	1,750,461	13,945	324,058	467,194	3,765,122	68,712	262,647	175,734	524,025
$200,000 under $500,000	1,977	162,558	87,722	1,381,309	6,277	298,114	138,541	1,867,876	15,249	92,875	48,836	144,116
$500,000 under $1,000,000	348	27,861	17,144	531,304	1,818	168,905	22,285	405,268	2,467	26,251	7,683	21,423
$1,000,000 or more	125	9,364	9,172	751,335	1,201	339,427	10,464	269,022	762	18,915	3,567	10,333
Taxable returns, total	**75,817**	**3,288,246**	**5,425,959**	**14,015,678**	**214,019**	**5,959,446**	**10,858,366**	**28,711,867**	**1,346,631**	**3,751,429**	**7,045,573**	**13,574,032**
No adjusted gross income	4	223	803	21,331	4,076	3,342,187	2,166	38,389	45	880	519	1,361
$1 under $1,000	—	—	87,286	59,402	**	**	*1,818	*53	—	—	—	—
$1,000 under $2,000	—	—	36,370	27,698	—	—	*9,092	*5,483	—	—	*5,455	*5,301
$2,000 under $3,000	—	—	27,708	28,810	**4	**2,885	*7,278	*16,919	—	—	*5,456	*7,809
$3,000 under $4,000	*453	*22,428	31,346	54,551	**	**	*12,737	*14,295	*1,822	*310	*5,456	*10,912
$4,000 under $5,000	—	—	55,461	93,828	—	—	38,537	68,360	*9,091	*28,271	15,415	23,161
$5,000 under $6,000	*1,860	*77,856	56,417	139,986	*2,275	*8,670	65,024	96,880	*7,277	*31,437	32,787	55,577
$6,000 under $7,000	*953	*6,931	60,876	112,820	*3,877	*34,790	48,621	71,042	*7,276	*15,083	24,551	34,491
$7,000 under $8,000	*477	*4,967	75,425	126,208	*2,292	*17,328	83,166	114,970	*9,103	*30,078	49,508	76,614
$8,000 under $9,000	*1,885	*50,763	72,221	133,752	*1,920	*14,859	80,352	107,568	*5,889	*4,044	49,506	78,848
$9,000 under $10,000	*3,319	*94,223	49,213	88,271	*4,098	*18,701	70,598	93,122	*1,822	*5,510	44,578	72,520
$10,000 under $11,000	*1,458	*43,390	68,124	80,447	*469	*7,879	123,017	191,579	*9,100	*14,861	92,033	160,502
$11,000 under $12,000	*1,935	*43,161	69,116	114,038	*1,822	*23,711	144,559	184,000	*15,036	*24,311	77,267	139,321
$12,000 under $13,000	—	—	71,390	99,333	*12,785	*65,708	155,549	249,368	*5,466	*10,345	107,818	190,641
$13,000 under $14,000	*1,933	*71,713	79,155	123,317	*3,637	*6,205	179,953	309,650	*5,455	*7,319	133,171	236,701
$14,000 under $15,000	*2,515	*98,210	70,018	139,024	*5,440	*74,216	164,287	247,599	*9,096	*22,777	100,549	155,931
$15,000 under $16,000	*1,987	*63,943	91,674	150,375	*6,851	*21,883	169,148	252,489	*10,903	*24,684	112,273	203,033
$16,000 under $17,000	*2,008	*33,297	83,659	123,284	*3,245	*32,507	168,658	275,269	*8,182	*32,126	108,284	194,835
$17,000 under $18,000	*2,116	*77,873	81,837	152,837	**5,500	**29,888	212,107	396,199	24,116	80,513	140,437	242,961
$18,000 under $19,000	*1,005	*8,788	112,796	255,637	**	**	224,006	367,888	13,625	26,443	157,769	268,435
$19,000 under $20,000	*1,159	*75,771	97,296	200,687	*2,765	*61,289	210,603	396,137	22,770	46,698	137,854	273,846
$20,000 under $25,000	7,730	280,853	478,915	641,066	20,059	89,539	1,216,668	2,247,734	106,898	246,969	899,012	1,586,800
$25,000 under $30,000	6,494	214,778	475,411	862,906	18,563	93,569	1,238,628	2,384,226	120,042	331,587	946,162	1,679,841
$30,000 under $40,000	7,588	292,240	859,179	1,384,069	27,812	239,243	2,285,441	4,832,596	270,424	688,044	1,701,679	3,345,328
$40,000 under $50,000	5,101	257,760	743,667	1,504,709	21,865	149,039	1,653,028	3,286,595	221,697	523,594	1,158,568	1,878,527
$50,000 under $75,000	8,290	401,367	842,344	1,866,883	27,055	225,833	1,218,032	3,946,513	290,832	826,474	520,971	1,403,541
$75,000 under $100,000	5,298	306,307	284,542	1,054,415	14,616	306,797	437,793	2,216,146	83,534	328,792	183,500	549,576
$100,000 under $200,000	7,856	566,068	249,878	1,734,643	13,798	313,139	466,373	3,761,155	68,660	262,407	174,970	521,894
$200,000 under $500,000	1,928	158,756	87,578	1,370,664	6,209	282,973	138,419	1,866,139	15,244	92,747	48,788	144,005
$500,000 under $1,000,000	**465	**36,583	17,108	526,838	1,803	166,666	22,260	404,934	2,464	26,211	7,674	21,397
$1,000,000 or more	**	**	9,146	743,848	1,183	329,942	10,448	268,571	762	18,915	3,563	10,323
Nontaxable returns, total	**92,240**	**3,116,879**	**772,127**	**1,812,217**	**309,873**	**26,854,220**	**761,761**	**1,404,462**	**72,825**	**314,494**	**273,154**	**491,690**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments—continued													
	Primary IRA payments		Secondary IRA payments		Payments to a Keogh plan		Forfeited interest penalty		Alimony paid		Self-employed health insurance		Other adjustments	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)
All returns, total	**6,799,280**	**10,342,201**	**2,944,294**	**3,723,521**	**759,083**	**6,183,441**	**791,533**	**185,907**	**597,275**	**4,007,869**	**1,444,453**	**626,093**	**139,220**	**494,185**
No adjusted gross income	15,354	32,039	7,097	11,892	3,224	14,714	9,711	2,791	13,071	177,237	20,069	7,417	3,473	66,508
$1 under $1,000	*6,387	*9,471	*931	*278	*84	*1,676	*12,208	*449	*2,723	*15,730	*5,062	*1,189	—	—
$1,000 under $2,000	*14,560	*20,847	*1,822	*456	—	—	*3,638	*182	—	—	*5,931	*1,354	—	—
$2,000 under $3,000	22,739	32,322	*3,640	*4,092	*1,819	*759	*12,733	*1,475	*1,822	*9,110	16,681	7,535	*1,819	*11,423
$3,000 under $4,000	18,766	25,927	*3,206	*4,198	—	—	21,825	6,312	—	—	*16,774	*5,092	*1,822	*2,733
$4,000 under $5,000	23,161	31,185	*2,723	*2,272	—	—	*9,092	*7,022	*1,819	*8,753	21,190	6,056	*2,295	*2,488
$5,000 under $6,000	47,353	75,463	*5,460	*10,920	*84	*1,254	27,291	2,850	*3,662	*18,915	33,114	12,140	—	—
$6,000 under $7,000	33,205	51,737	*7,749	*8,806	—	—	20,424	5,948	*469	*5,182	21,719	7,533	*5,456	*12,678
$7,000 under $8,000	69,529	96,865	*10,929	*17,184	*1,822	*91	21,306	1,540	*9,098	*25,372	24,105	9,473	—	—
$8,000 under $9,000	74,110	102,940	19,915	26,490	—	—	15,115	490	*3,636	*20,543	33,471	11,621	*3,640	*2,360
$9,000 under $10,000	62,114	92,219	20,411	21,172	*431	*324	*13,776	*3,227	*10,147	*33,337	35,157	12,677	—	—
$10,000 under $11,000	93,190	155,655	22,750	20,327	*1,822	*4,874	*14,555	*1,457	*1,873	*1,114	28,972	12,397	*1,819	*1,903
$11,000 under $12,000	86,609	127,776	21,163	27,710	*3,640	*6,443	30,929	4,216	*3,637	*4,618	44,439	12,374	—	—
$12,000 under $13,000	107,824	177,634	19,196	28,509	—	—	21,347	2,350	*9,999	*34,991	26,346	9,114	*3,641	*1,985
$13,000 under $14,000	132,255	199,649	26,377	38,468	*5,516	*8,048	*12,764	*1,967	*7,705	*31,785	26,218	7,674	*4,542	*16,152
$14,000 under $15,000	107,746	155,689	17,317	18,461	*7,754	*15,715	*12,970	*1,185	*5,506	*32,648	48,731	19,812	*3,641	*5,369
$15,000 under $16,000	105,607	158,814	37,412	49,345	*433	*3,118	23,647	3,049	*3,637	*12,037	21,774	6,043	*1,334	*2,241
$16,000 under $17,000	98,777	156,372	29,614	44,095	*1,818	*307	*9,085	*1,075	*7,312	*38,998	29,906	9,368	*3,637	*3,327
$17,000 under $18,000	134,069	199,237	35,027	50,996	*2,727	*5,082	*11,819	*3,571	*14,544	*48,234	31,581	14,693	*1,818	*16
$18,000 under $19,000	157,776	245,748	31,347	43,159	*5,357	*10,746	18,191	2,113	*7,268	*18,223	37,558	11,666	*6,354	*26,791
$19,000 under $20,000	135,357	219,609	37,433	60,556	*1,815	*4,053	*10,475	*1,035	*15,062	*56,262	25,347	7,585	*4,108	*3,735
$20,000 under $25,000	847,703	1,326,234	224,817	286,465	33,969	94,743	73,219	26,706	45,936	203,690	138,786	55,968	15,567	32,645
$25,000 under $30,000	888,488	1,292,811	313,675	390,996	31,396	75,685	51,376	6,998	41,327	163,776	116,052	48,945	14,778	42,821
$30,000 under $40,000	1,571,112	2,355,620	784,761	1,012,465	68,162	247,351	109,040	24,043	80,090	322,003	198,629	80,106	17,493	79,491
$40,000 under $50,000	1,060,495	1,285,370	626,580	596,680	80,403	326,127	77,174	13,459	80,465	360,932	121,129	52,687	18,949	39,583
$50,000 under $75,000	487,320	924,835	332,777	487,120	176,485	854,879	99,364	21,034	101,728	629,067	146,043	80,717	14,862	54,712
$75,000 under $100,000	174,478	342,928	131,241	207,720	103,397	828,704	21,727	7,838	43,028	409,150	67,571	44,336	4,651	24,683
$100,000 under $200,000	166,751	336,158	126,307	187,867	162,323	2,186,983	21,085	26,263	54,088	671,092	73,656	44,405	2,374	18,190
$200,000 under $500,000	45,939	90,366	35,135	53,750	52,640	1,140,439	4,413	3,895	21,251	420,882	24,040	22,375	886	37,047
$500,000 under $1,000,000	7,129	13,980	5,034	7,443	8,157	222,650	896	596	3,984	127,632	3,026	2,679	216	3,086
$1,000,000 or more	3,377	6,701	2,448	3,632	3,805	128,679	338	772	2,388	106,554	1,376	1,063	45	2,218
Taxable returns, total	**6,554,832**	**9,995,133**	**2,832,463**	**3,578,899**	**743,241**	**6,139,780**	**668,395**	**164,130**	**563,922**	**3,707,714**	**1,172,950**	**513,328**	**127,805**	**406,194**
No adjusted gross income	511	1,035	295	327	130	2,350	964	441	1,474	33,270	108	47	*6	*16
$1 under $1,000	—	—	—	—	—	—	*1,818	*53	—	—	—	—	—	—
$1,000 under $2,000	*5,455	*5,301	—	—	—	—	*3,637	*182	—	—	—	—	—	—
$2,000 under $3,000	*5,456	*7,809	—	—	—	—	—	—	*1,822	*9,110	—	—	—	—
$3,000 under $4,000	*5,456	*10,912	—	—	—	—	*3,637	*340	—	—	—	—	*1,822	*2,733
$4,000 under $5,000	15,415	21,116	*1,818	*2,045	—	—	*5,455	*6,036	*1,818	*8,748	*4,939	*760	*1,819	*1,384
$5,000 under $6,000	32,787	55,577	—	—	—	—	*12,735	*468	*1,819	*5,675	*15,872	*3,722	—	—
$6,000 under $7,000	24,551	34,491	—	—	—	—	*9,512	*3,000	*469	*5,182	*3,644	*609	*5,456	*12,678
$7,000 under $8,000	47,689	74,006	*3,641	*2,608	—	—	*14,550	*942	*3,640	*2,809	*9,541	*2,999	—	—
$8,000 under $9,000	46,389	68,858	*5,412	*9,989	—	—	*7,705	*201	*3,636	*20,543	*14,480	*3,321	*1,818	*611
$9,000 under $10,000	42,756	67,052	*4,549	*5,468	—	—	*5,456	*2,431	*7,281	*8,588	18,699	4,058	—	—
$10,000 under $11,000	82,031	140,995	19,108	19,508	*1,822	*4,874	*10,914	*371	*1,822	*128	17,303	5,801	*1,819	*1,903
$11,000 under $12,000	75,449	117,818	*15,465	*21,502	*3,640	*6,443	25,463	3,959	*3,637	*4,618	26,277	4,866	—	—
$12,000 under $13,000	102,358	168,050	*13,734	*22,591	—	—	19,528	2,328	*9,999	*34,991	*13,214	*4,343	*3,641	*1,985
$13,000 under $14,000	129,531	198,233	26,377	38,468	*3,694	*7,356	*12,295	*1,943	*7,705	*31,785	18,121	4,890	*4,542	*16,152
$14,000 under $15,000	96,439	142,924	14,590	13,007	*6,849	*14,810	*10,912	*1,153	*5,506	*32,648	34,152	14,424	*1,818	*3,072
$15,000 under $16,000	104,091	155,782	36,365	47,251	—	—	23,647	3,049	*3,637	*12,037	21,416	5,543	*1,334	*2,241
$16,000 under $17,000	97,369	153,556	28,206	41,279	*1,818	*307	*9,085	*1,075	*6,843	*33,085	25,357	7,077	*1,819	*382
$17,000 under $18,000	132,251	195,601	33,209	47,360	*2,727	*5,082	*8,179	*1,571	*14,544	*48,234	28,464	13,122	*1,818	*16
$18,000 under $19,000	149,194	234,150	24,965	34,285	*5,357	*10,746	18,191	2,113	*7,268	*18,223	36,653	10,867	*6,354	*26,791
$19,000 under $20,000	132,395	213,685	37,236	60,162	*909	*2,835	*10,475	*1,035	*15,062	*56,262	23,525	7,040	*4,108	*3,735
$20,000 under $25,000	838,214	1,309,653	218,377	277,146	33,259	88,972	70,929	26,659	40,461	172,654	127,857	52,108	15,567	32,645
$25,000 under $30,000	886,636	1,289,107	311,820	390,734	31,396	75,685	50,328	6,963	41,327	163,776	108,496	44,860	14,727	41,938
$30,000 under $40,000	1,561,902	2,339,242	780,937	1,006,086	65,454	236,900	109,040	24,043	79,656	311,150	189,270	75,464	17,493	79,491
$40,000 under $50,000	1,059,025	1,282,845	625,871	595,682	79,694	324,536	76,127	13,384	78,704	348,469	120,192	52,269	18,865	39,379
$50,000 under $75,000	484,880	919,859	331,058	483,682	176,245	852,479	**142,175	**55,133	101,593	625,794	145,804	80,356	14,811	53,850
$75,000 under $100,000	174,188	342,336	131,001	207,240	103,346	828,338	**	**	42,590	395,457	67,487	44,283	4,651	24,683
$100,000 under $200,000	166,026	334,213	125,835	187,681	162,321	2,186,693	**	**	54,035	671,026	73,656	44,405	2,374	18,190
$200,000 under $500,000	45,894	90,274	35,116	53,732	**60,779	**1,362,771	**5,300	**4,486	21,217	419,876	24,024	22,355	882	37,015
$500,000 under $1,000,000	7,121	13,961	5,030	7,436	**	**	**	**	3,976	127,384	**4,399	**3,739	216	3,086
$1,000,000 or more	3,373	6,691	2,448	3,632	3,801	128,604	338	772	2,381	106,190	**	**	45	2,218
Nontaxable returns, total	**244,448**	**347,068**	**111,831**	**144,622**	**15,842**	**43,662**	**123,138**	**21,777**	**33,353**	**300,154**	**271,503**	**112,765**	**11,415**	**87,991**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Basic standard deduction		Additional standard deduction		Total itemized deductions		Exemptions		Taxable income		Income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount
	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)
All returns, total	**69,099,180**	**203,070,218**	**10,111,806**	**8,996,598**	**35,627,790**	**392,020,128**	**217,495,163**	**408,773,173**	**90,079,102**	**1,850,597,119**	**89,717,924**	**373,857,125**
No adjusted gross income	—	—	—	—	—	—	1,763,334	3,140,292	—	—	270	966
$1 under $1,000	2,751,140	3,913,555	103,650	83,277	20,417	155,443	1,668,648	3,078,576	774,560	155,369	745,458	23,651
$1,000 under $2,000	3,585,951	6,670,935	115,877	98,681	41,896	306,545	2,365,300	4,410,821	1,081,357	504,619	1,006,300	74,515
$2,000 under $3,000	3,563,000	8,705,916	223,612	188,972	49,606	402,897	3,128,140	5,764,635	1,358,193	856,194	1,226,314	109,235
$3,000 under $4,000	3,212,252	8,405,904	274,447	225,930	67,720	489,019	3,076,305	5,740,672	1,350,114	1,582,111	1,317,372	183,397
$4,000 under $5,000	3,180,036	8,561,229	345,280	282,576	73,646	425,382	3,852,610	7,167,911	1,716,736	2,177,693	1,697,159	254,607
$5,000 under $6,000	3,140,661	8,780,463	528,436	449,716	101,832	718,959	4,259,762	7,967,206	2,145,761	3,550,422	2,126,659	445,360
$6,000 under $7,000	2,879,000	8,201,365	516,956	439,990	167,017	1,328,912	4,564,348	8,546,413	2,259,101	4,714,410	2,243,243	557,817
$7,000 under $8,000	2,962,789	8,637,829	570,784	486,827	175,796	1,109,244	4,893,640	9,150,440	2,398,054	6,804,165	2,381,670	836,076
$8,000 under $9,000	2,826,151	8,428,612	578,083	509,892	197,315	1,399,074	5,013,704	9,390,936	2,393,497	8,374,735	2,387,984	1,072,877
$9,000 under $10,000	2,691,390	7,994,103	504,356	444,791	212,252	1,683,194	4,924,426	9,234,239	2,424,283	10,125,295	2,423,374	1,319,386
$10,000 under $11,000	2,670,799	8,173,793	537,526	487,956	228,351	1,564,111	5,332,783	9,976,773	2,619,668	11,676,542	2,612,385	1,546,126
$11,000 under $12,000	2,500,749	7,505,123	478,011	423,507	258,673	1,823,609	4,901,772	9,200,309	2,596,850	14,030,593	2,595,027	1,894,025
$12,000 under $13,000	2,385,887	7,331,769	461,869	418,545	326,656	2,205,863	4,992,425	9,332,538	2,621,842	15,901,497	2,621,842	2,143,716
$13,000 under $14,000	2,341,939	7,153,626	407,950	363,947	356,514	2,233,204	5,110,582	9,591,159	2,616,644	17,984,638	2,614,822	2,468,155
$14,000 under $15,000	2,160,008	6,680,219	371,309	327,533	370,448	2,442,194	4,896,360	9,196,409	2,460,987	18,879,719	2,457,342	2,606,050
$15,000 under $16,000	2,071,968	6,421,114	318,276	303,726	381,550	2,468,953	4,963,598	9,295,799	2,442,519	20,610,413	2,442,519	2,884,022
$16,000 under $17,000	1,851,996	5,746,554	304,850	276,932	402,249	2,478,653	4,435,322	8,291,655	2,254,787	21,335,032	2,254,354	2,972,540
$17,000 under $18,000	1,813,082	5,692,871	300,664	278,725	437,672	3,062,278	4,653,118	8,704,802	2,249,533	22,631,077	2,249,533	3,167,146
$18,000 under $19,000	1,685,509	5,282,768	270,717	251,295	478,238	3,118,362	4,555,244	8,559,383	2,157,662	23,579,725	2,158,441	3,333,087
$19,000 under $20,000	1,547,139	4,927,442	224,467	197,073	542,087	3,658,776	4,450,658	8,360,722	2,086,629	24,441,186	2,086,629	3,477,985
$20,000 under $25,000	6,085,064	19,816,260	803,669	732,899	2,887,779	19,402,586	20,090,738	37,845,625	8,967,574	126,032,289	8,967,968	18,479,359
$25,000 under $30,000	4,122,662	13,980,609	503,917	452,365	3,307,096	23,095,478	18,322,346	34,515,914	7,468,035	133,895,752	7,467,130	20,795,705
$30,000 under $40,000	4,369,858	15,578,902	617,349	566,094	7,181,645	56,824,355	31,386,970	59,220,283	11,579,339	270,913,902	11,578,769	43,519,780
$40,000 under $50,000	1,651,651	6,296,179	362,369	338,286	6,189,088	58,147,027	23,122,063	43,579,595	7,849,462	242,712,736	7,849,461	41,908,842
$50,000 under $75,000	857,170	3,392,821	284,224	266,330	7,248,587	86,750,714	24,355,551	46,072,614	8,099,602	347,978,968	8,099,602	70,479,901
$75,000 under $100,000	112,446	462,733	56,045	53,382	1,950,548	33,672,774	6,246,056	11,801,827	2,060,927	129,661,327	2,060,924	31,481,126
$100,000 under $200,000	68,012	283,749	40,286	40,738	1,444,180	38,458,847	4,551,594	8,575,985	1,508,026	153,927,488	1,508,025	43,600,131
$200,000 under $500,000	9,195	37,132	5,868	5,636	420,380	21,164,988	1,294,383	2,448,873	427,762	100,643,815	427,751	32,900,611
$500,000 under $1,000,000	1,362	5,473	825	848	73,940	7,803,448	222,542	420,235	74,894	42,794,638	74,892	14,723,036
$1,000,000 or more	314	1,170	134	129	34,612	13,625,238	100,841	190,533	34,704	72,120,769	34,705	24,597,896
Taxable returns, total	**51,824,838**	**154,095,729**	**7,601,084**	**6,725,493**	**33,913,680**	**369,919,197**	**177,740,619**	**334,527,521**	**86,675,726**	**1,841,389,696**	**86,697,594**	**372,730,649**
No adjusted gross income	—	—	—	—	—	—	24,706	44,322	—	—	258	914
$1 under $1,000	740,531	402,152	—	—	**	**	*1,820	*3,458	742,349	153,810	744,167	23,640
$1,000 under $2,000	1,004,482	1,004,400	*1,818	*1,364	**1,819	**1,595	*9,090	*17,271	1,004,482	488,087	1,006,300	74,515
$2,000 under $3,000	1,215,396	2,424,628	*1,819	*1,364	*5,456	*6,249	*10,922	*14,708	1,224,495	719,552	1,226,314	109,235
$3,000 under $4,000	1,276,444	2,976,336	—	—	*5,460	*5,689	44,120	59,008	1,313,277	1,520,503	1,313,278	183,114
$4,000 under $5,000	1,607,587	3,924,334	—	—	*7,708	*39,647	862,543	1,588,238	1,663,061	2,121,903	1,668,516	252,449
$5,000 under $6,000	2,027,113	5,073,137	109,120	82,113	*11,381	*40,978	1,484,980	2,782,129	2,077,129	3,482,963	2,078,947	442,122
$6,000 under $7,000	1,903,663	4,888,906	313,074	238,946	56,669	217,435	1,708,468	3,197,602	2,005,571	4,511,055	2,007,393	541,141
$7,000 under $8,000	1,979,031	5,184,302	322,741	248,055	65,048	251,679	1,941,731	3,643,379	2,082,659	6,309,879	2,084,478	789,134
$8,000 under $9,000	1,913,992	5,129,330	298,111	226,583	82,817	352,484	2,155,520	4,025,701	2,049,936	7,740,815	2,051,755	1,006,835
$9,000 under $10,000	1,862,842	5,096,144	298,582	224,287	89,664	432,243	2,246,238	4,181,849	2,011,103	9,148,811	2,012,922	1,207,290
$10,000 under $11,000	2,035,886	6,122,654	518,908	473,526	104,548	488,492	2,799,599	5,231,787	2,185,954	10,647,295	2,185,954	1,429,027
$11,000 under $12,000	2,008,214	5,858,416	447,615	395,176	160,114	754,244	2,912,803	5,436,239	2,216,053	13,043,698	2,216,053	1,775,789
$12,000 under $13,000	2,021,044	6,079,566	442,942	402,321	234,713	1,201,578	3,367,131	6,252,306	2,313,384	15,046,236	2,313,384	2,040,151
$13,000 under $14,000	2,147,931	6,482,895	400,675	358,491	268,155	1,367,714	3,903,691	7,308,530	2,450,645	17,590,388	2,450,645	2,420,551
$14,000 under $15,000	2,051,782	6,306,455	365,850	322,073	287,450	1,516,810	4,089,980	7,689,690	2,366,045	18,534,750	2,366,045	2,565,669
$15,000 under $16,000	2,016,010	6,226,690	314,636	299,358	343,252	1,786,768	4,549,492	8,513,741	2,405,226	20,467,606	2,405,226	2,865,850
$16,000 under $17,000	1,815,127	5,622,088	304,420	276,610	363,746	2,041,961	4,081,866	7,626,634	2,225,727	21,202,152	2,225,727	2,955,486
$17,000 under $18,000	1,791,742	5,616,989	298,811	276,501	387,040	2,278,290	4,398,196	8,222,014	2,220,132	22,484,756	2,220,132	3,147,986
$18,000 under $19,000	1,661,337	5,194,101	270,717	251,295	442,140	2,582,787	4,299,734	8,073,914	2,134,382	23,427,424	2,135,161	3,312,654
$19,000 under $20,000	1,534,902	4,879,711	222,657	194,901	500,403	2,961,730	4,259,433	7,998,184	2,067,555	24,308,464	2,067,555	3,460,196
$20,000 under $25,000	6,047,923	19,679,394	800,551	731,028	2,771,078	17,332,833	19,508,455	36,749,413	8,897,283	125,365,847	8,897,677	18,387,239
$25,000 under $30,000	4,111,958	13,938,975	501,722	450,532	3,263,482	22,108,142	18,144,141	34,185,081	7,439,390	133,560,045	7,439,390	20,748,430
$30,000 under $40,000	4,353,086	15,515,951	616,569	565,626	7,141,357	55,711,803	31,199,771	58,874,439	11,544,806	270,239,296	11,545,239	43,419,504
$40,000 under $50,000	1,649,487	6,288,851	362,369	338,286	6,167,353	57,289,814	23,034,757	43,423,165	7,835,717	242,423,221	7,835,716	41,863,090
$50,000 under $75,000	856,829	3,391,634	284,224	266,330	7,235,379	85,959,335	24,306,865	45,984,530	8,094,839	347,888,196	8,094,839	70,464,229
$75,000 under $100,000	111,916	461,217	56,045	53,382	1,948,530	33,431,213	6,236,916	11,784,889	2,060,119	129,607,268	2,060,116	31,466,434
$100,000 under $200,000	67,758	282,856	40,286	40,738	1,440,790	37,956,268	4,542,509	8,560,386	1,507,204	153,845,543	1,507,204	43,574,942
$200,000 under $500,000	9,158	37,002	**6,822	**6,609	419,786	20,914,035	1,292,424	2,445,364	427,635	100,620,472	427,634	32,892,141
$500,000 under $1,000,000	1,358	5,461	**	**	73,821	7,691,092	222,171	419,555	74,874	42,786,129	74,874	14,719,583
$1,000,000 or more	309	1,156	**	**	34,521	13,196,287	100,547	189,995	34,694	72,103,532	34,695	24,591,310
Nontaxable returns, total	**17,274,342**	**48,974,489**	**2,510,722**	**2,271,105**	**1,714,110**	**22,100,931**	**39,754,544**	**74,245,652**	**3,403,376**	**9,207,423**	**3,020,330**	**1,126,476**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits											
	Total		Total personal credits								Foreign tax credit	
					Child care credit		Credit for the elderly and disabled		Earned income credit used to offset income tax before credits			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)
All returns, total	**12,901,020**	**6,329,438**	**11,888,059**	**4,169,617**	**8,519,523**	**3,438,314**	**354,308**	**66,633**	**3,708,044**	**641,867**	**559,555**	**1,099,484**
No adjusted gross income	260	347	*240	*6	—	—	—	—	—	—	*10	*1
$1 under $1,000	*1,721	*13	—	—	—	—	—	—	—	—	*1,721	*13
$1,000 under $2,000	*1,720	*41	—	—	—	—	—	—	—	—	*1,720	*41
$2,000 under $3,000	*1,721	*68	—	—	—	—	—	—	—	—	*1,721	*68
$3,000 under $4,000	*5,814	*310	*1,818	*236	—	—	—	—	*1,818	*236	*2,173	*68
$4,000 under $5,000	33,902	2,747	21,823	873	*1,818	*31	*1,818	*62	18,187	780	*3,893	*194
$5,000 under $6,000	51,250	3,416	49,100	3,230	*3,637	*429	29,094	971	*16,369	*1,829	*2,150	*187
$6,000 under $7,000	255,605	17,893	245,934	16,633	36,371	2,266	46,797	4,220	164,584	10,147	4,731	327
$7,000 under $8,000	321,166	48,687	313,648	47,045	76,847	9,805	46,762	6,955	197,311	30,285	*3,871	*920
$8,000 under $9,000	360,970	72,208	341,906	68,878	94,567	19,059	21,825	7,222	249,156	41,963	6,067	687
$9,000 under $10,000	459,004	128,103	446,375	123,249	154,572	45,669	27,712	6,140	313,190	71,441	4,400	854
$10,000 under $11,000	552,091	160,819	536,446	156,548	149,120	47,157	29,528	4,172	408,287	104,515	6,071	1,050
$11,000 under $12,000	557,330	184,655	544,543	181,689	190,952	70,354	31,344	4,619	433,188	106,408	5,161	799
$12,000 under $13,000	623,762	204,704	605,019	197,271	190,028	72,102	*16,751	*3,464	540,077	121,611	3,967	1,329
$13,000 under $14,000	671,588	200,540	653,607	192,889	208,228	84,953	26,756	8,467	549,549	96,397	4,731	640
$14,000 under $15,000	678,028	172,734	660,398	163,128	242,271	107,411	20,008	5,217	569,891	50,500	5,383	1,185
$15,000 under $16,000	404,492	106,393	395,137	101,972	189,621	91,259	*10,914	*4,213	246,437	5,755	5,719	1,469
$16,000 under $17,000	191,465	79,124	179,132	75,631	157,303	69,930	18,189	5,151	—	—	8,222	3,088
$17,000 under $18,000	239,063	105,848	219,055	96,075	199,563	90,764	*14,030	*3,344	—	—	6,603	1,489
$18,000 under $19,000	228,900	108,210	204,698	89,711	201,011	88,654	*3,687	*1,056	—	—	6,021	1,169
$19,000 under $20,000	203,561	100,590	184,069	88,334	175,890	87,204	*7,274	*1,060	—	—	4,957	2,395
$20,000 under $25,000	976,082	479,096	889,796	391,867	878,611	387,749	*1,819	*300	—	—	36,087	12,072
$25,000 under $30,000	979,913	418,472	911,911	349,820	909,623	348,836	—	—	—	—	27,302	14,443
$30,000 under $40,000	1,666,909	747,255	1,572,176	592,013	1,565,311	588,376	—	—	—	—	47,641	42,557
$40,000 under $50,000	1,300,549	593,863	1,210,337	469,483	1,207,775	468,893	—	—	—	—	51,633	40,277
$50,000 under $75,000	1,398,654	699,147	1,263,973	552,870	1,259,468	552,109	—	—	—	—	100,716	64,990
$75,000 under $100,000	355,076	298,558	275,933	129,360	271,634	127,651	—	—	—	—	57,613	84,077
$100,000 under $200,000	260,295	520,230	132,712	65,227	128,723	63,345	—	—	—	—	87,614	277,045
$200,000 under $500,000	86,597	351,811	24,142	13,205	23,068	12,253	—	—	—	—	42,797	226,577
$500,000 under $1,000,000	21,348	152,721	3,133	1,681	2,733	1,585	—	—	—	—	11,808	91,806
$1,000,000 or more	12,184	370,834	998	692	778	471	—	—	—	—	7,052	227,666
Taxable returns, total	**9,880,690**	**5,202,961**	**9,086,423**	**3,430,243**	**7,404,927**	**3,046,037**	**215,708**	**40,493**	**1,797,775**	**329,249**	**526,301**	**983,119**
No adjusted gross income	*248	*295	*240	*6	—	—	—	—	—	—	†	†
$1 under $1,000	*430	*3	—	—	—	—	—	—	—	—	†	†
$1,000 under $2,000	*1,720	*41	—	—	—	—	—	—	—	—	*1,720	*41
$2,000 under $3,000	*1,721	*68	—	—	—	—	—	—	—	—	*1,721	*68
$3,000 under $4,000	*1,720	*26	—	—	—	—	—	—	—	—	*1,720	*26
$4,000 under $5,000	*5,259	*589	—	—	—	—	—	—	—	—	*3,440	*129
$5,000 under $6,000	*3,538	*179	*1,818	*162	—	—	*1,818	*162	—	—	*1,720	*17
$6,000 under $7,000	19,755	1,218	*15,884	*1,096	—	—	*15,884	*1,096	—	—	*3,871	*122
$7,000 under $8,000	23,974	1,744	21,824	1,657	—	—	21,824	1,657	—	—	*2,150	*86
$8,000 under $9,000	24,741	6,166	*16,367	*4,564	*1,819	*151	*7,274	*2,271	*7,274	*2,142	4,730	140
$9,000 under $10,000	48,552	16,007	45,896	15,290	*1,818	*491	18,616	3,454	25,462	11,345	*3,087	*716
$10,000 under $11,000	125,660	43,719	119,968	42,221	*7,281	*1,416	24,070	2,945	90,013	37,325	4,730	549
$11,000 under $12,000	178,356	66,419	172,663	65,846	23,643	8,196	20,432	2,924	143,138	54,725	4,301	304
$12,000 under $13,000	315,304	101,138	310,856	100,076	46,366	15,391	*12,209	*2,188	292,288	82,497	*2,630	*507
$13,000 under $14,000	507,411	152,936	498,183	148,944	128,673	55,227	23,119	6,654	455,492	86,516	4,301	619
$14,000 under $15,000	586,731	132,353	575,428	127,796	174,970	75,597	*16,367	*3,238	539,490	48,960	4,523	1,007
$15,000 under $16,000	367,199	88,220	360,577	86,249	158,698	76,772	*9,096	*2,993	244,618	5,738	5,288	758
$16,000 under $17,000	162,838	62,070	153,668	60,224	133,661	54,860	18,189	5,151	—	—	6,881	1,553
$17,000 under $18,000	209,662	86,689	199,042	85,350	181,372	81,275	*14,030	*3,344	—	—	5,692	958
$18,000 under $19,000	205,620	87,778	192,849	83,058	189,162	82,002	*3,687	*1,056	—	—	6,021	1,169
$19,000 under $20,000	184,487	82,801	170,861	78,259	162,682	77,129	*7,274	*1,060	—	—	4,097	975
$20,000 under $25,000	905,791	386,975	856,385	367,444	847,010	364,785	*1,819	*300	—	—	33,736	7,646
$25,000 under $30,000	952,173	371,198	904,098	346,006	901,810	345,022	—	—	—	—	23,657	4,682
$30,000 under $40,000	1,633,379	646,979	1,562,600	585,377	1,555,736	583,305	—	—	—	—	40,859	16,519
$40,000 under $50,000	1,286,804	548,111	1,207,438	467,808	1,204,876	467,218	—	—	—	—	49,660	31,251
$50,000 under $75,000	1,393,891	683,475	1,262,926	552,662	1,258,421	551,901	—	—	—	—	99,769	57,101
$75,000 under $100,000	354,268	283,866	275,883	129,355	271,634	127,651	—	—	—	—	56,918	71,415
$100,000 under $200,000	259,474	495,041	132,709	65,224	128,720	63,342	—	—	—	—	87,108	257,018
$200,000 under $500,000	86,480	343,341	**27,262	**14,877	23,064	12,251	—	—	—	—	42,706	218,301
$500,000 under $1,000,000	21,330	149,268	**	**	2,733	1,585	—	—	—	—	11,792	88,358
$1,000,000 or more	12,174	364,249	998	692	778	471	—	—	—	—	7,042	221,080
Nontaxable returns, total	**3,020,330**	**1,126,476**	**2,801,636**	**739,374**	**1,114,596**	**392,278**	**138,600**	**26,140**	**1,910,269**	**312,618**	**33,254**	**116,365**

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits—continued				Income tax after personal credits		Income tax after credits		Alternative minimum tax		Total income tax	
	General business credits		Other tax credits									
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)	(123)	(124)
All returns, total	**514,112**	**1,018,624**	**32,053**	**41,713**	**86,933,992**	**369,687,588**	**86,894,480**	**367,527,887**	**139,779**	**1,674,898**	**86,723,796**	**369,202,757**
No adjusted gross income	*18	*340	—	—	270	960	258	619	8,125	155,786	8,388	156,578
$1 under $1,000	—	—	—	—	745,458	23,651	744,167	23,637	**	**	744,168	23,666
$1,000 under $2,000	—	—	—	—	1,006,300	74,515	1,006,300	74,474	—	—	1,006,300	74,474
$2,000 under $3,000	—	—	—	—	1,226,314	109,235	1,226,314	109,167	**	**	1,226,315	109,169
$3,000 under $4,000	*1,823	*5	—	—	1,315,554	183,161	1,313,278	183,087	**6	**816	1,313,280	183,219
$4,000 under $5,000	*8,186	*1,680	—	—	1,675,336	253,734	1,668,516	251,800	**	**	1,668,516	252,515
$5,000 under $6,000	—	—	—	—	2,079,377	442,130	2,076,947	441,943	*471	*8,210	2,079,418	450,153
$6,000 under $7,000	*4,940	*933	—	—	2,013,193	541,183	2,007,393	539,923	*710	*8,711	2,008,103	548,634
$7,000 under $8,000	*3,647	*722	—	—	2,089,846	789,031	2,084,478	787,390	*85	*554	2,084,563	787,944
$8,000 under $9,000	*12,997	*2,643	—	—	2,062,445	1,003,966	2,051,755	1,000,670	*98	*2,290	2,051,853	1,002,960
$9,000 under $10,000	*9,986	*3,999	—	—	2,023,793	1,196,137	2,012,468	1,191,283	**553	**5,054	2,013,020	1,196,337
$10,000 under $11,000	*10,434	*3,220	—	—	2,195,907	1,389,578	2,185,954	1,385,308	**	**	2,185,955	1,385,308
$11,000 under $12,000	*9,878	*2,167	—	—	2,224,969	1,712,336	2,216,053	1,709,370	*4	*27	2,216,053	1,709,397
$12,000 under $13,000	*15,206	*0,103	—	—	2,328,109	1,946,445	2,313,384	1,939,012	**100	**863	2,313,483	1,939,698
$13,000 under $14,000	14,110	7,012	—	—	2,459,828	2,275,266	2,450,645	2,267,614	**	**	2,450,646	2,267,792
$14,000 under $15,000	*14,499	*8,421	—	—	2,374,194	2,442,922	2,368,045	2,433,316	**473	**741	2,366,517	2,433,974
$15,000 under $16,060	*5,886	*2,952	—	—	2,409,781	2,782,050	2,405,226	2,777,629	**	**	2,405,227	2,777,712
$16,000 under $17,000	*4,111	*404	—	—	2,228,890	2,896,609	2,225,727	2,893,417	**432	**845	2,225,727	2,894,161
$17,000 under $16,060	13,405	6,265	—	—	2,229,520	3,071,071	2,220,132	3,061,298	**	**	2,220,134	3,061,399
$18,000 under $19,000	18,161	17,331	—	—	2,146,592	3,243,376	2,134,731	3,224,676	*515	*2,108	2,135,245	3,226,984
$19,000 under $20,000	14,965	9,861	—	—	2,073,421	3,389,651	2,067,555	3,377,395	*4	*94	2,067,559	3,377,490
$20,000 under $25,000	55,863	75,024	*469	*133	8,939,078	18,087,493	8,897,677	16,000,263	*5,511	*13,884	8,900,581	18,014,147
$25,000 under $30,000	46,131	53,943	*905	*265	7,460,691	20,445,884	7,439,389	20,377,233	4,329	18,123	7,440,040	20,395,356
$30,000 under $40,000	56,965	109,195	*863	*3,491	11,573,244	42,927,766	11,545,188	42,772,525	8,163	37,229	11,546,242	42,809,755
$40,000 under $50,060	40,325	61,227	*5,971	*2,876	7,647,031	41,439,359	7,835,564	41,314,979	6,650	30,892	7,839,002	41,345,871
$50,000 under $75,000	46,340	79,892	*2,574	*1,394	8,098,555	69,927,030	8,094,184	69,780,754	19,686	91,669	8,096,798	69,872,423
$75,000 under $100,000	26,215	82,958	3,545	2,163	2,060,924	31,351,765	2,059,809	31,182,567	17,006	94,596	2,061,641	31,277,163
$100,000 under $200,000	45,202	171,472	8,562	6,487	1,508,025	43,534,904	1,506,339	43,079,900	36,685	335,526	1,509,910	43,415,426
$200,000 under $500,000	22,609	101,820	5,800	10,209	427,760	32,887,406	427,453	32,548,800	23,278	429,442	429,035	32,978,242
$500,000 under $1,000,000	6,964	54,459	2,153	4,775	74,892	14,721,355	74,861	14,570,315	4,364	174,832	75,228	14,745,147
$1,000,000 or more	5,192	132,556	1,211	9,921	34,705	24,597,204	34,690	24,227,062	2,331	262,600	34,847	24,489,662
Taxable returns, total	**311,841**	**748,745**	**30,109**	**40,654**	**86,897,594**	**369,306,468**	**86,894,480**	**367,527,887**	**139,779**	**1,674,898**	**86,723,796**	**369,202,757**
No adjusted gross income	*7	*289	—	—	256	908	258	610	8,125	155,788	8,388	156,576
$1 under $1,000	—	—	—	—	744,107	23,640	744,167	23,637	**	**	744,168	23,666
$1,000 under $2,000	—	—	—	—	1,006,300	74,515	1,006,300	74,474	—	—	1,006,300	74,474
$2,000 under $3,000	—	—	—	—	1,226,314	109,235	1,226,314	109,167	**	**	1,226,315	109,169
$3,000 under $4,000	—	—	—	—	1,313,278	183,114	1,313,278	183,067	**6	**616	1,313,280	183,219
$4,000 under $5,000	*1,819	*460	—	—	1,668,516	252,449	1,668,516	251,860	**	**	1,668,816	252,515
$5,000 under $6,000	—	—	—	—	2,078,947	441,960	2,076,947	441,943	*471	*8,210	2,079,418	450,153
$6,000 under $7,000	—	—	—	—	2,007,393	540,045	2,007,393	539,923	*710	*8,711	2,008,103	548,634
$7,000 under $8,000	—	—	—	—	2,084,478	787,476	2,084,478	787,390	*85	*554	2,084,563	787,944
$8,000 under $9,000	*3,644	*1,461	—	—	2,051,755	1,002,271	2,051,755	1,000,670	*98	*2,290	2,051,853	1,002,960
$9,000 under $10,000	—	—	—	—	2,012,922	1,192,000	2,012,468	1,191,283	**553	**5,054	2,013,020	1,196,337
$10,000 under $11,000	*1,822	*949	—	—	2,185,954	1,386,806	2,185,954	1,385,308	**	**	2,185,955	1,385,306
$11,000 under $12,000	*1,822	*270	—	—	2,216,053	1,709,943	2,216,053	1,709,370	*4	*27	2,216,053	1,709,397
$12,000 under $13,000	*1,818	*554	—	—	2,313,384	1,940,074	2,313,384	1,939,012	**100	**863	2,313,483	1,939,698
$13,000 under $14,000	*4,927	*3,373	—	—	2,450,645	2,271,607	2,450,645	2,267,614	**	**	2,450,646	2,267,792
$14,000 under $15,000	*7,210	*3,551	—	—	2,366,045	2,437,873	2,368,045	2,433,316	**473	**741	2,366,517	2,433,974
$15,000 under $16,000	*1,764	*1,213	—	—	2,405,226	2,779,600	2,405,226	2,777,629	**	**	2,405,227	2,777,712
$16,000 under $17,060	*2,286	*293	—	—	2,225,727	2,895,263	2,225,727	2,893,417	**432	**845	2,225,727	2,894,161
$17,000 under $18,000	*4,926	*380	—	—	2,220,132	3,062,636	2,220,132	3,061,298	**	**	2,220,134	3,061,399
$18,000 under $19,000	*6,750	*3,550	—	—	2,135,161	3,229,596	2,134,731	3,224,676	*515	*2,108	2,135,245	3,226,984
$19,000 under $20,000	*9,959	*3,567	—	—	2,067,555	3,381,937	2,067,555	3,377,395	*4	*94	2,067,559	3,377,490
$20,000 under $25,060	17,262	11,885	—	—	8,897,677	18,019,795	8,897,677	18,000,263	*5,511	*13,884	8,900,581	18,014,147
$25,000 under $30,000	29,380	20,510	—	—	7,439,390	20,402,425	7,439,389	20,377,233	4,329	18,123	7,440,040	20,395,356
$30,060 under $40,000	35,742	41,593	*863	*3,491	11,545,239	42,834,127	11,545,188	42,772,525	8,163	37,229	11,546,242	42,809,755
$40,000 under $50,000	30,933	46,176	*5,971	*2,876	7,835,716	41,395,281	7,835,564	41,314,979	6,650	30,892	7,839,002	41,345,871
$50,000 under $75,000	44,068	72,675	*2,007	*1,037	8,094,839	69,911,567	8,094,184	69,780,754	19,886	91,669	8,096,798	69,872,423
$75,000 under $100,000	26,052	80,933	3,545	2,163	2,060,116	31,337,078	2,059,809	31,182,567	17,066	94,596	2,061,641	31,277,163
$100,000 under $200,000	44,887	166,313	8,562	6,487	1,507,204	43,509,718	1,506,339	43,079,900	36,685	335,526	1,509,910	43,415,426
$200,000 under $500,000	**29,546	**156,193	5,797	10,105	427,634	32,878,945	427,453	32,548,800	23,278	429,442	429,035	32,978,242
$500,000 under $1,000,000	**	**	2,153	4,775	74,874	14,717,902	74,861	14,570,315	4,364	174,832	75,228	14,745,147
$1,000,000 or more	5,192	132,556	1,211	9,921	34,695	24,590,618	34,690	24,227,062	2,331	262,600	34,847	24,489,662
Nontaxable returns, total	**202,271**	**269,878**	**1,944**	**860**	**236,398**	**387,182**	—	—	—	—	—	—

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Self-employment tax		Penalty tax on Individual Retirement Arrangements		Earned income credit used to offset all other taxes		Total tax liability		Taxpayments			
									Total		Income tax withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(125)	(126)	(127)	(128)	(129)	(130)	(131)	(132)	(133)	(134)	(135)	(136)
All returns, total	**10,810,723**	**14,936,462**	**1,306,570**	**506,961**	**957,308**	**359,138**	**88,551,492**	**384,538,143**	**97,983,088**	**411,076,700**	**90,877,273**	**319,163,468**
No adjusted gross income	147,704	183,360	12,097	6,058	2,731	1,383	176,779	371,649	362,024	1,064,710	256,004	533,854
$1 under $1,000	91,134	26,765	—	—	22,243	3,197	813,964	47,632	1,678,098	154,780	1,614,425	107,000
$1,000 under $2,000	150,281	31,546	*1,825	*1,626	20,503	5,313	1,123,950	102,909	2,720,303	361,214	2,657,776	326,302
$2,000 under $3,000	207,625	59,176	*9,096	*1,202	36,900	8,729	1,391,742	162,106	2,913,769	608,816	2,811,379	530,858
$3,000 under $4,000	221,566	90,096	*5,455	*796	48,258	15,397	1,475,659	259,131	2,663,783	744,071	2,550,801	672,462
$4,000 under $5,000	250,181	111,694	*7,516	*1,379	73,621	28,893	1,769,827	337,237	2,652,314	920,326	2,533,265	842,761
$5,000 under $6,000	254,457	140,925	*7,274	*1,733	64,960	37,489	2,162,487	556,623	2,619,039	1,200,572	2,422,599	1,040,550
$6,000 under $7,000	276,069	160,374	*1,822	*208	106,757	57,072	2,074,836	652,505	2,547,280	1,456,465	2,338,255	1,271,321
$7,000 under $8,000	265,826	171,603	*7,275	*1,820	94,181	50,877	2,195,299	913,208	2,722,404	1,735,751	2,526,320	1,554,233
$8,000 under $9,000	288,573	212,757	*10,919	*1,274	103,925	49,928	2,182,037	1,168,145	2,677,170	2,026,649	2,402,993	1,799,812
$9,000 under $10,000	258,951	204,036	*9,521	*1,599	93,884	40,888	2,116,115	1,362,850	2,659,919	2,271,030	2,430,961	2,025,807
$10,000 under $11,000	281,983	221,473	*3,640	*597	84,631	23,490	2,268,931	1,585,475	2,658,065	2,528,400	2,358,438	2,207,609
$11,000 under $12,000	247,913	197,840	*12,747	*2,492	78,649	19,297	2,298,455	1,892,249	2,597,575	2,838,461	2,329,448	2,493,572
$12,000 under $13,000	241,121	220,860	*9,097	*1,425	48,123	7,646	2,375,758	2,156,640	2,617,850	3,184,655	2,330,610	2,739,392
$13,000 under $14,000	218,602	208,370	*10,906	*2,917	42,702	6,413	2,506,569	2,474,180	2,569,508	3,476,534	2,304,139	3,028,059
$14,000 under $15,000	251,885	241,235	22,287	3,782	33,418	3,051	2,419,995	2,676,042	2,435,970	3,624,374	2,215,510	3,199,118
$15,000 under $16,000	191,648	165,267	20,919	5,866	*1,822	*75	2,422,209	2,949,045	2,427,893	3,936,029	2,239,324	3,515,652
$16,000 under $17,000	167,379	165,906	*15,937	*2,281	—	—	2,244,386	3,063,540	2,230,549	3,994,652	2,022,683	3,517,136
$17,000 under $18,000	192,622	202,335	*10,914	*3,255	—	—	2,241,012	3,268,859	2,238,500	4,273,385	2,036,168	3,761,978
$18,000 under $19,000	203,907	211,058	16,836	5,944	—	—	2,149,548	3,444,935	2,161,518	4,497,418	1,958,477	3,918,537
$19,000 under $20,000	170,406	207,566	25,541	9,163	—	—	2,092,105	3,596,274	2,075,575	4,578,288	1,914,533	4,065,881
$20,000 under $25,000	1,014,895	1,289,961	96,760	24,469	—	—	8,955,527	19,336,865	8,914,797	24,091,038	8,325,663	21,477,958
$25,000 under $30,000	857,917	1,134,179	120,166	31,246	—	—	7,459,766	21,569,607	7,397,247	26,012,176	6,938,159	23,390,663
$30,000 under $40,000	1,475,291	2,113,042	259,296	83,684	—	—	11,571,431	45,015,441	11,503,022	53,582,542	10,872,443	48,178,149
$40,000 under $50,000	972,209	1,755,602	237,913	77,946	—	—	7,848,694	43,193,046	7,802,528	48,677,736	7,397,555	43,206,070
$50,000 under $75,000	1,080,900	2,467,276	269,004	121,714	—	—	8,102,007	72,480,753	8,056,129	74,331,705	7,562,195	63,556,116
$75,000 under $100,000	349,671	1,039,564	63,452	58,080	—	—	2,062,105	32,385,572	2,047,894	31,058,773	1,841,310	23,738,677
$100,000 under $200,000	357,736	1,278,484	32,032	38,518	—	—	1,510,941	44,775,791	1,495,986	40,032,029	1,252,412	24,891,097
$200,000 under $500,000	99,183	349,091	5,524	11,713	—	—	429,212	33,371,671	426,757	29,459,292	345,799	16,092,272
$500,000 under $1,000,000	15,646	51,252	529	2,978	—	—	75,268	14,816,749	74,890	12,930,368	59,862	5,910,374
$1,000,000 or more	7,442	23,770	270	1,196	—	—	34,878	24,551,414	34,732	21,424,458	27,767	5,570,200
Taxable returns, total	**8,601,127**	**13,302,085**	**1,243,401**	**488,890**	**—**	**—**	**86,723,796**	**383,204,877**	**82,466,152**	**403,444,924**	**76,417,848**	**313,181,837**
No adjusted gross income	2,151	5,898	92	447	—	—	8,388	163,349	6,420	210,815	5,213	78,255
$1 under $1,000	*1,822	*148	—	—	—	—	744,168	23,813	165,481	8,649	149,109	6,369
$1,000 under $2,000	19,503	2,633	—	—	—	—	1,006,300	77,107	511,330	59,716	467,690	43,072
$2,000 under $3,000	20,795	3,866	—	—	—	—	1,226,315	113,036	912,322	176,239	883,228	157,575
$3,000 under $4,000	23,668	5,878	—	—	—	—	1,313,280	189,097	1,110,111	289,365	1,088,291	273,202
$4,000 under $5,000	99,141	42,447	*1,818	*44	—	—	1,668,518	295,109	1,425,695	540,876	1,383,126	510,594
$5,000 under $6,000	128,270	60,264	*3,638	*846	—	—	2,079,418	512,030	1,800,289	878,685	1,711,622	806,215
$6,000 under $7,000	122,991	69,218	*1,822	*208	—	—	2,008,103	618,060	1,733,377	1,062,739	1,601,011	942,125
$7,000 under $8,000	115,085	74,529	*7,275	*1,820	—	—	2,084,563	865,275	1,857,742	1,322,240	1,709,689	1,195,558
$8,000 under $9,000	120,894	85,558	*3,638	*828	—	—	2,051,853	1,089,857	1,866,913	1,549,442	1,689,743	1,407,488
$9,000 under $10,000	130,260	103,245	*5,455	*1,049	—	—	2,013,020	1,301,062	1,869,857	1,781,242	1,697,962	1,587,028
$10,000 under $11,000	173,952	132,817	*3,640	*597	—	—	2,185,955	1,520,039	1,998,633	2,034,718	1,742,201	1,763,879
$11,000 under $12,000	151,466	121,428	*12,747	*2,492	—	—	2,216,053	1,834,779	2,064,686	2,409,844	1,830,131	2,105,699
$12,000 under $13,000	169,357	156,559	*7,278	*1,384	—	—	2,313,483	2,099,713	2,202,074	2,776,879	1,946,290	2,412,251
$13,000 under $14,000	162,679	142,975	*10,906	*2,917	—	—	2,450,646	2,415,051	2,336,263	3,262,600	2,100,799	2,845,441
$14,000 under $15,000	200,225	182,965	18,650	3,416	—	—	2,366,517	2,620,457	2,278,302	3,460,016	2,072,323	3,069,024
$15,000 under $16,000	176,489	148,520	19,097	4,277	—	—	2,405,227	2,930,775	2,352,042	3,840,506	2,167,713	3,426,036
$16,000 under $17,000	148,720	144,094	*15,937	*2,281	—	—	2,225,727	3,041,728	2,164,819	3,906,448	1,967,101	3,458,873
$17,000 under $18,000	171,744	178,638	*10,914	*3,255	—	—	2,220,134	3,245,162	2,175,107	4,211,023	1,983,405	3,718,801
$18,000 under $19,000	189,604	195,459	16,836	5,944	—	—	2,135,245	3,429,335	2,104,910	4,415,306	1,909,952	3,856,600
$19,000 under $20,000	147,678	170,189	25,541	9,163	—	—	2,067,559	3,557,770	2,032,113	4,502,120	1,881,559	4,024,635
$20,000 under $25,000	962,720	1,185,294	94,232	23,571	—	—	8,900,581	19,230,959	8,778,323	23,791,418	8,217,421	21,276,739
$25,000 under $30,000	841,486	1,110,633	118,779	31,233	—	—	7,440,040	21,545,619	7,357,172	25,905,991	6,909,876	23,324,042
$30,000 under $40,000	1,451,376	2,058,611	259,296	83,684	—	—	11,546,242	44,960,547	11,458,297	53,370,277	10,844,400	48,074,226
$40,000 under $50,000	964,193	1,729,116	235,968	76,752	—	—	7,839,002	43,164,540	7,782,992	48,593,645	7,380,285	43,142,190
$50,000 under $75,000	1,075,903	2,451,203	268,868	121,575	—	—	8,096,798	72,463,790	8,044,378	74,255,430	7,553,601	63,502,904
$75,000 under $100,000	349,591	1,039,248	63,154	57,677	—	—	2,061,641	32,384,853	2,047,144	31,051,771	1,840,702	23,734,814
$100,000 under $200,000	357,268	1,277,142	31,514	37,735	—	—	1,509,910	44,773,215	1,493,618	40,005,715	1,250,358	24,874,491
$200,000 under $500,000	99,053	348,640	5,511	11,648	—	—	429,035	33,371,057	426,289	29,441,374	345,517	16,087,418
$500,000 under $1,000,000	15,624	51,190	**795	**4,046	—	—	75,228	14,816,581	74,796	12,923,096	59,808	5,907,792
$1,000,000 or more	7,419	23,681	**	**	—	—	34,847	24,551,110	34,657	21,406,737	27,722	5,568,498
Nontaxable returns, total	**2,209,596**	**1,634,378**	**63,169**	**18,071**	**957,308**	**359,138**	**1,827,696**	**1,333,267**	**15,516,936**	**7,631,776**	**14,459,425**	**5,981,632**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—continued				Earned income credit refundable portion		Overpayment					
	Estimated tax payments		All other taxpayments [1]				Total		Refunded		Credited to 1988 estimated tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(137)	(138)	(139)	(140)	(141)	(142)	(143)	(144)	(145)	(146)	(147)	(148)
All returns, total	**12,154,648**	**74,058,280**	**3,006,882**	**17,848,650**	**6,475,519**	**2,929,523**	**79,804,878**	**79,108,896**	**77,608,482**	**69,627,753**	**4,448,257**	**9,481,144**
No adjusted gross income	73,692	385,945	87,185	143,415	3,464	823	321,482	859,364	292,884	739,119	42,387	120,245
$1 under $1,000	44,746	43,192	21,073	4,588	184,097	17,623	1,686,656	156,073	1,681,193	154,021	18,277	2,051
$1,000 under $2,000	37,589	27,761	32,461	7,152	325,942	62,818	2,678,515	402,506	2,669,287	395,977	22,427	6,529
$2,000 under $3,000	72,934	63,589	47,555	14,353	425,579	133,298	2,834,796	688,750	2,821,731	662,073	22,167	26,678
$3,000 under $4,000	106,320	54,716	37,158	16,511	377,877	160,245	2,509,518	770,170	2,480,823	749,933	40,081	20,237
$4,000 under $5,000	122,725	66,506	25,343	11,059	518,240	276,163	2,514,774	993,246	2,482,771	971,150	45,885	22,096
$5,000 under $6,000	203,018	127,731	37,164	32,291	539,081	363,155	2,397,128	1,181,680	2,372,533	1,162,635	53,690	19,046
$6,000 under $7,000	212,846	163,281	37,079	21,863	622,284	447,471	2,380,109	1,395,227	2,333,208	1,353,706	101,005	41,521
$7,000 under $8,000	225,967	169,130	32,866	12,388	620,119	416,175	2,492,486	1,428,725	2,463,292	1,399,350	83,251	29,374
$8,000 under $9,000	307,267	216,296	35,041	10,541	580,938	337,080	2,438,975	1,423,486	2,383,232	1,387,293	111,562	36,193
$9,000 under $10,000	286,094	227,634	30,702	17,590	576,973	268,287	2,403,175	1,405,156	2,368,513	1,371,023	99,487	34,133
$10,000 under $11,000	349,079	293,077	45,101	27,715	593,722	221,336	2,351,290	1,407,657	2,315,831	1,360,441	116,554	47,216
$11,000 under $12,000	339,446	326,569	29,779	18,321	441,775	120,717	2,232,736	1,327,138	2,181,131	1,278,577	119,375	48,561
$12,000 under $13,000	368,118	408,123	37,626	37,140	349,973	67,252	2,250,737	1,377,535	2,199,145	1,320,175	137,110	57,360
$13,000 under $14,000	350,976	403,586	45,396	44,889	182,281	27,351	2,242,200	1,311,244	2,176,248	1,238,622	171,784	72,622
$14,000 under $15,000	326,179	404,594	36,681	20,662	108,152	9,064	2,074,923	1,271,676	2,023,111	1,210,645	118,956	61,031
$15,000 under $16,000	305,441	388,891	31,044	31,486	25,022	664	2,050,724	1,262,231	2,001,026	1,208,193	111,539	54,038
$16,000 under $17,000	301,030	469,109	24,439	8,407	—	—	1,855,904	1,197,365	1,818,052	1,128,863	105,587	68,502
$17,000 under $18,000	305,501	499,378	19,408	12,028	—	—	1,912,148	1,273,312	1,867,264	1,204,376	110,777	68,937
$18,000 under $19,000	315,003	564,353	43,790	14,521	—	—	1,793,733	1,326,526	1,741,107	1,256,017	120,749	70,509
$19,000 under $20,000	252,451	494,643	26,214	17,764	—	—	1,720,994	1,267,800	1,682,269	1,192,010	96,920	75,790
$20,000 under $25,000	1,128,437	2,458,820	161,174	153,988	—	—	7,228,817	6,336,769	7,052,516	6,037,283	385,074	299,485
$25,000 under $30,000	870,522	2,484,162	142,978	137,349	—	—	5,870,801	6,087,214	5,738,612	5,790,404	290,713	296,810
$30,000 under $40,000	1,401,886	5,123,966	246,571	280,427	—	—	9,165,447	11,857,529	8,920,129	11,255,389	506,689	602,140
$40,000 under $50,000	1,007,609	5,164,451	255,360	306,801	—	—	5,725,982	8,932,234	5,489,152	8,340,381	395,226	591,853
$50,000 under $75,000	1,330,388	9,553,610	639,688	1,221,437	—	—	4,840,137	9,380,940	4,564,435	8,332,549	453,417	1,048,391
$75,000 under $100,000	568,403	6,408,910	293,458	910,887	—	—	984,010	3,197,238	875,481	2,491,981	197,777	705,257
$100,000 under $200,000	640,903	12,655,262	327,224	2,485,574	—	—	616,530	3,718,810	473,077	2,338,651	239,177	1,380,160
$200,000 under $500,000	228,427	10,015,391	129,594	3,351,165	—	—	178,966	2,565,553	115,181	1,268,963	95,196	1,296,590
$500,000 under $1,000,000	46,518	4,893,659	30,310	2,125,724	—	—	33,583	1,197,558	18,176	476,267	21,685	721,291
$1,000,000 or more	25,133	9,501,948	17,420	6,350,614	—	—	17,602	2,108,185	7,072	551,686	13,733	1,556,499
Taxable returns, total	**11,149,550**	**72,660,280**	**2,604,144**	**17,598,483**	**—**	**—**	**64,032,358**	**69,121,235**	**62,050,164**	**59,996,184**	**4,082,504**	**9,125,051**
No adjusted gross income	1,688	62,342	2,380	70,207	—	—	3,893	87,701	3,040	57,262	1,515	30,439
$1 under $1,000	*9,097	*1,032	*7,275	*1,248	—	—	132,746	6,360	132,746	5,945	*9,098	*415
$1,000 under $2,000	25,457	12,790	21,821	3,853	—	—	407,763	45,303	400,489	42,638	18,183	2,666
$2,000 under $3,000	20,431	13,658	*16,367	*5,005	—	—	798,275	137,708	796,457	135,801	*5,456	*1,907
$3,000 under $4,000	23,638	7,056	*14,547	*9,107	—	—	911,037	176,071	905,581	170,965	*10,910	*5,106
$4,000 under $5,000	48,457	25,511	*7,704	*4,772	—	—	1,224,434	352,641	1,209,587	346,468	25,761	6,173
$5,000 under $6,000	100,096	62,996	19,535	9,474	—	—	1,525,301	517,902	1,508,894	509,888	36,415	8,014
$6,000 under $7,000	147,334	108,971	*14,125	*11,642	—	—	1,508,876	572,586	1,480,207	552,117	71,418	20,469
$7,000 under $8,000	166,345	118,137	19,837	8,546	—	—	1,606,056	618,873	1,586,046	598,088	64,058	20,785
$8,000 under $9,000	213,649	139,612	*11,350	*2,342	—	—	1,615,082	643,907	1,585,880	625,204	67,728	18,704
$9,000 under $10,000	217,036	183,397	19,109	10,816	—	—	1,620,777	668,897	1,595,214	641,119	78,793	27,778
$10,000 under $11,000	298,757	248,125	33,852	22,715	—	—	1,671,762	721,566	1,641,770	683,411	103,089	38,155
$11,000 under $12,000	301,460	291,777	18,549	12,368	—	—	1,720,111	806,718	1,672,390	764,255	109,556	42,463
$12,000 under $13,000	332,808	343,251	24,006	21,378	—	—	1,846,954	927,910	1,801,973	879,807	122,318	48,104
$13,000 under $14,000	330,047	379,147	27,666	38,012	—	—	2,007,113	1,094,008	1,946,621	1,026,607	155,886	67,401
$14,000 under $15,000	302,045	375,342	28,630	15,650	—	—	1,919,098	1,119,591	1,875,500	1,071,399	105,839	48,192
$15,000 under $16,000	300,296	383,376	29,221	31,094	—	—	1,980,698	1,172,851	1,931,240	1,119,962	108,571	52,889
$16,000 under $17,000	289,507	440,079	22,617	7,496	—	—	1,798,367	1,119,002	1,763,383	1,057,858	102,719	61,144
$17,000 under $18,000	293,854	480,314	*16,291	*11,906	—	—	1,857,339	1,227,390	1,815,182	1,159,038	108,050	68,352
$18,000 under $19,000	309,990	550,955	31,355	7,744	—	—	1,741,475	1,256,072	1,688,849	1,188,527	117,558	67,545
$19,000 under $20,000	238,628	460,142	25,708	17,343	—	—	1,682,024	1,217,079	1,650,678	1,154,315	88,167	62,764
$20,000 under $25,000	1,093,602	2,375,819	141,336	138,592	—	—	7,118,799	6,088,812	6,946,829	5,803,353	373,398	285,459
$25,000 under $30,000	859,288	2,446,552	133,060	135,394	—	—	5,835,747	5,989,086	5,706,273	5,703,071	284,804	286,015
$30,000 under $40,000	1,388,799	5,029,282	230,624	266,769	—	—	9,132,369	11,663,622	8,890,601	11,077,622	502,232	586,000
$40,000 under $50,000	1,002,503	5,144,859	253,720	306,202	—	—	5,709,857	8,860,691	5,473,977	8,273,978	393,564	586,713
$50,000 under $75,000	1,326,383	9,540,528	636,105	1,211,519	—	—	4,829,099	9,314,947	4,554,110	8,273,608	451,002	1,041,339
$75,000 under $100,000	568,216	6,406,741	293,214	909,918	—	—	983,264	3,190,620	874,791	2,485,492	197,719	705,128
$100,000 under $200,000	640,411	12,646,811	326,988	2,484,316	—	—	614,489	3,694,062	471,902	2,319,331	238,283	1,374,731
$200,000 under $500,000	228,171	10,004,433	129,476	3,349,061	—	—	178,532	2,548,068	114,825	1,255,012	95,057	1,293,056
$500,000 under $1,000,000	46,465	4,889,526	30,286	2,125,168	—	—	33,494	1,190,432	18,110	471,609	21,656	718,823
$1,000,000 or more	25,092	9,487,717	17,390	6,348,828	—	—	17,527	2,090,758	7,019	542,435	13,701	1,548,323
Nontaxable returns, total	**1,005,098**	**1,398,000**	**402,738**	**250,168**	**6,475,519**	**2,929,523**	**15,772,520**	**9,987,662**	**15,558,318**	**9,631,568**	**365,753**	**356,093**

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax due at time of filing		Predetermined estimated tax penalty		Type of return					
					Form 1040		Form 1040A		Form 1040EZ	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Adjusted gross income less deficit	Number of returns	Adjusted gross income less deficit	Number of returns	Adjusted gross income less deficit
	(149)	(150)	(151)	(152)	(153)	(154)	(155)	(156)	(157)	(158)
All returns, total	**23,776,240**	**49,921,337**	**2,340,709**	**279,904**	**71,032,103**	**2,358,780,940**	**17,446,685**	**251,591,353**	**18,517,482**	**163,451,905**
No adjusted gross income	108,824	167,008	15,223	1,528	841,509	−39,903,703	—	—	—	—
$1 under $1,000	663,847	31,339	*1,818	*38	1,100,582	688,058	520,053	332,081	1,229,235	722,835
$1,000 under $2,000	701,487	81,448	*1,822	*66	1,150,797	1,745,679	692,820	1,028,535	1,843,869	2,756,361
$2,000 under $3,000	550,229	108,942	*9,091	*200	1,327,868	3,317,155	712,798	1,796,549	1,705,650	4,250,293
$3,000 under $4,000	517,223	126,211	25,951	1,226	1,313,033	4,603,133	627,333	2,202,360	1,412,875	4,913,374
$4,000 under $5,000	507,977	134,507	16,628	515	1,408,562	6,360,169	703,724	3,157,363	1,225,563	5,489,537
$5,000 under $6,000	609,014	176,349	43,914	1,773	1,464,530	8,061,084	751,033	4,139,299	1,091,026	5,980,465
$6,000 under $7,000	542,216	144,392	18,195	596	1,473,533	9,580,047	729,177	4,737,164	912,833	5,915,819
$7,000 under $8,000	551,640	191,128	25,580	1,121	1,601,096	12,007,923	723,725	5,430,440	880,098	6,580,117
$8,000 under $9,000	507,011	229,317	37,184	1,415	1,540,563	13,110,684	743,733	6,334,210	811,019	6,905,314
$9,000 under $10,000	459,173	231,012	45,457	2,323	1,451,266	13,757,158	736,446	6,981,877	787,363	7,469,860
$10,000 under $11,000	554,197	244,980	31,901	1,229	1,484,083	15,567,644	816,881	8,567,768	652,803	6,843,541
$11,000 under $12,000	539,362	261,981	37,320	1,772	1,469,259	16,916,164	674,603	7,755,085	665,533	7,636,918
$12,000 under $13,000	493,090	284,887	51,453	2,619	1,470,543	18,394,837	656,447	8,208,392	643,709	8,040,458
$13,000 under $14,000	477,173	283,985	52,334	2,447	1,487,420	20,085,354	649,157	8,743,358	596,436	8,046,001
$14,000 under $15,000	473,641	316,888	56,411	2,360	1,413,948	20,483,035	625,557	9,089,248	520,058	7,542,302
$15,000 under $16,000	433,081	277,099	42,323	2,516	1,432,094	22,177,046	614,617	9,518,320	452,772	7,018,179
$16,000 under $17,000	437,830	268,294	51,422	2,040	1,362,816	22,504,484	494,595	8,143,055	443,688	7,319,482
$17,000 under $18,000	372,285	271,687	49,074	2,901	1,351,553	23,652,347	567,778	9,930,483	372,775	6,512,289
$18,000 under $19,000	396,301	276,452	31,335	2,410	1,384,514	25,596,585	465,506	8,622,528	345,495	6,383,733
$19,000 under $20,000	392,754	287,956	41,956	2,170	1,359,571	26,516,435	483,695	9,428,528	278,214	5,416,067
$20,000 under $25,000	1,804,962	1,598,636	233,589	16,040	6,303,840	141,859,653	1,793,675	40,046,112	958,294	21,190,858
$25,000 under $30,000	1,605,691	1,659,060	171,329	14,415	5,909,638	162,356,649	1,145,321	31,285,635	439,868	11,909,220
$30,000 under $40,000	2,424,031	3,316,192	310,523	25,763	10,262,808	356,857,493	1,127,437	38,509,629	214,399	7,133,495
$40,000 under $50,000	2,126,980	3,473,072	235,916	25,527	7,498,072	334,509,627	333,014	14,533,144	31,815	1,366,976
$50,000 under $75,000	3,254,332	7,567,803	327,807	37,815	8,050,795	480,844,469	57,560	3,070,190	*2,092	*108,413
$75,000 under $100,000	1,074,906	4,544,805	132,242	20,767	2,064,189	175,453,698	—	—	—	—
$100,000 under $200,000	889,504	8,507,554	171,390	44,982	1,513,654	200,973,127	—	—	—	—
$200,000 under $500,000	248,819	6,512,555	56,715	34,623	429,671	124,073,791	—	—	—	—
$500,000 under $1,000,000	41,504	3,096,726	10,141	12,775	75,352	50,898,244	—	—	—	—
$1,000,000 or more	17,156	5,249,071	4,665	13,930	34,944	85,732,872	—	—	—	—
Taxable returns, total	**22,570,782**	**49,152,712**	**2,194,414**	**271,263**	**61,179,056**	**2,331,132,606**	**11,707,794**	**215,384,933**	**13,836,946**	**154,260,704**
No adjusted gross income	4,487	40,965	1,033	729	8,388	−3,199,074	—	—	—	—
$1 under $1,000	609,604	21,562	*1,818	*38	438,685	327,260	189,112	141,081	116,371	84,299
$1,000 under $2,000	596,288	62,695	—	—	486,236	728,331	172,745	241,461	347,319	521,411
$2,000 under $3,000	424,403	74,607	*7,273	*102	440,784	1,118,236	154,554	384,495	630,977	1,651,348
$3,000 under $4,000	400,425	76,203	*14,549	*400	420,449	1,460,923	149,104	520,881	743,727	2,577,287
$4,000 under $5,000	436,809	107,263	*12,744	*390	586,598	2,687,292	183,658	843,940	898,262	4,106,854
$5,000 under $6,000	552,299	152,768	38,208	1,521	710,175	3,919,839	278,217	1,541,448	1,091,026	5,980,465
$6,000 under $7,000	497,408	128,341	*10,905	*434	847,967	5,508,019	247,303	1,610,934	912,833	5,915,819
$7,000 under $8,000	473,051	162,553	18,208	645	931,710	6,996,692	272,755	2,045,409	880,098	6,580,117
$8,000 under $9,000	431,316	185,635	33,540	1,313	904,428	7,685,203	336,406	2,873,024	811,019	6,905,314
$9,000 under $10,000	392,243	190,190	30,939	1,473	891,071	8,442,956	334,586	3,164,808	787,363	7,469,860
$10,000 under $11,000	508,738	207,715	22,744	828	1,110,864	11,667,830	422,288	4,435,315	652,803	6,843,541
$11,000 under $12,000	490,486	232,904	26,387	1,251	1,150,486	13,237,553	400,034	4,603,925	665,533	7,636,918
$12,000 under $13,000	461,072	252,979	39,191	2,235	1,218,807	15,254,798	450,967	5,651,658	643,709	8,040,458
$13,000 under $14,000	441,711	248,500	46,398	2,041	1,312,336	17,722,108	541,874	7,303,007	596,436	8,046,001
$14,000 under $15,000	443,777	282,150	47,300	1,868	1,275,458	18,488,310	571,001	8,298,697	520,058	7,542,302
$15,000 under $16,000	420,889	265,264	38,682	2,145	1,368,750	21,200,374	583,705	9,040,235	452,772	7,018,179
$16,000 under $17,000	427,360	255,912	46,848	1,629	1,309,262	21,622,160	472,777	7,786,160	443,688	7,319,482
$17,000 under $18,000	362,795	264,352	48,169	2,824	1,286,855	22,520,436	560,504	9,804,010	372,775	6,512,289
$18,000 under $19,000	391,951	272,509	30,866	2,408	1,331,519	24,616,987	458,231	8,488,058	345,495	6,383,733
$19,000 under $20,000	383,717	274,898	41,956	2,170	1,309,286	25,534,582	480,059	9,358,384	278,214	5,416,067
$20,000 under $25,000	1,771,732	1,543,445	223,109	15,092	6,157,705	138,583,639	1,784,582	39,849,406	958,294	21,190,858
$25,000 under $30,000	1,595,994	1,642,640	168,810	13,926	5,854,851	160,853,818	1,145,321	31,285,635	439,868	11,909,220
$30,000 under $40,000	2,406,958	3,279,561	309,094	25,669	10,204,406	354,893,228	1,127,437	38,509,629	214,399	7,133,495
$40,000 under $50,000	2,121,674	3,456,953	233,396	25,367	7,474,173	333,447,966	333,014	14,533,144	31,815	1,366,976
$50,000 under $75,000	3,252,438	7,561,027	327,381	37,721	8,037,146	480,026,006	57,560	3,070,190	*2,092	*108,413
$75,000 under $100,000	1,074,577	4,544,460	132,237	20,758	2,061,641	175,234,447	—	—	—	—
$100,000 under $200,000	889,174	8,506,527	171,145	44,965	1,509,910	200,486,828	—	—	—	—
$200,000 under $500,000	248,757	6,512,368	56,686	34,617	429,035	123,887,946	—	—	—	—
$500,000 under $1,000,000	41,497	3,096,704	10,138	12,774	75,228	50,814,606	—	—	—	—
$1,000,000 or more	17,152	5,249,060	4,660	13,930	34,847	85,363,309	—	—	—	—
Nontaxable returns, total	**1,205,458**	**768,625**	**146,295**	**8,641**	**9,853,047**	**27,648,334**	**5,738,891**	**36,206,420**	**4,680,536**	**9,191,201**

* Estimate should be used with caution because of the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers

\# Data deleted to avoid disclosure of information for specific taxpayers. Related data are included in the appropriate totals

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest received		Standard deduction		Exemptions	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	**18,517,482**	**163,451,905**	**18,482,934**	**162,940,170**	**6,300,323**	**511,735**	**18,369,240**	**43,617,689**	**13,385,993**	**25,310,155**
Under $1,000	1,229,235	722,835	1,194,687	697,811	280,028	25,024	1,216,507	1,507,520	392,785	735,564
$1,000 under $2,000	1,843,869	2,756,361	1,843,869	2,716,929	514,613	39,432	1,838,413	3,385,579	674,631	1,277,325
$2,000 under $3,000	1,705,650	4,250,293	1,705,650	4,213,304	509,154	36,989	1,674,738	4,080,052	710,993	1,325,175
$3,000 under $4,000	1,412,875	4,913,374	1,412,875	4,880,980	445,507	32,394	1,398,327	3,551,751	670,966	1,262,761
$4,000 under $5,000	1,225,563	5,489,537	1,225,563	5,463,521	372,751	26,016	1,212,834	3,080,598	758,245	1,429,937
$5,000 under $6,000	1,091,026	5,980,465	1,091,026	5,951,770	347,303	28,695	1,085,571	2,757,350	741,908	1,405,007
$6,000 under $7,000	912,833	5,915,819	912,833	5,896,550	283,666	19,269	911,015	2,313,978	698,262	1,325,207
$7,000 under $8,000	880,098	6,580,117	880,098	6,560,418	272,751	19,699	871,007	2,212,358	741,902	1,402,159
$8,000 under $9,000	811,019	6,905,314	811,019	6,892,071	209,127	13,243	807,381	2,050,748	745,556	1,413,573
$9,000 under $10,000	787,363	7,469,860	787,363	7,450,289	254,580	19,570	778,269	1,976,803	741,902	1,402,157
$10,000 under $11,000	652,803	6,843,541	652,803	6,825,411	214,573	18,129	649,166	1,648,882	610,980	1,157,734
$11,000 under $12,000	665,533	7,636,918	665,533	7,620,290	247,309	16,628	661,897	1,681,218	643,710	1,220,067
$12,000 under $13,000	643,709	8,040,458	643,709	8,025,698	238,211	14,760	638,254	1,621,165	632,798	1,197,770
$13,000 under $14,000	596,436	8,046,001	596,436	8,029,215	221,843	16,786	590,982	1,501,094	580,070	1,097,588
$14,000 under $15,000	520,058	7,542,302	520,058	7,522,349	216,383	19,953	518,239	1,316,327	514,603	976,254
$15,000 under $16,000	452,772	7,018,179	452,772	7,003,731	192,748	14,449	449,134	1,140,800	447,316	846,844
$16,000 under $17,000	443,688	7,319,482	443,688	7,305,212	183,661	14,270	436,414	1,108,492	441,870	833,588
$17,000 under $18,000	372,775	6,512,289	372,775	6,498,987	147,297	13,301	369,139	937,613	369,138	698,308
$18,000 under $19,000	345,495	6,383,733	345,495	6,370,858	156,381	12,875	343,676	872,937	345,495	654,949
$19,000 under $20,000	278,214	5,416,067	278,214	5,405,286	121,832	10,782	278,214	706,664	278,214	528,607
$20,000 under $25,000	958,294	21,190,858	958,294	21,142,621	454,591	48,236	954,656	2,424,826	956,475	1,814,319
$25,000 under $30,000	439,868	11,909,220	439,868	11,877,935	261,430	31,285	437,101	1,110,237	439,868	833,480
$30,000 under $40,000	214,399	7,133,495	214,399	7,115,329	136,939	18,166	214,399	544,573	214,399	407,358
$40,000 or more	33,907	1,475,389	33,907	1,473,606	17,645	1,783	33,907	86,124	33,907	64,423
Taxable returns, total	**13,836,946**	**154,260,704**	**13,833,308**	**153,791,431**	**5,632,975**	**469,273**	**13,750,530**	**34,237,750**	**10,611,135**	**20,089,423**
Under $1,000	116,371	84,299	112,733	70,211	116,371	14,087	116,371	74,532	—	—
$1,000 under $2,000	347,319	521,411	347,319	490,406	347,319	31,005	347,319	490,406	—	—
$2,000 under $3,000	630,977	1,651,348	630,977	1,623,240	367,316	28,108	630,977	1,526,919	—	—
$3,000 under $4,000	743,727	2,577,287	743,727	2,554,214	334,590	23,074	741,909	1,884,449	*1,818	*1,963
$4,000 under $5,000	898,262	4,106,854	898,262	4,085,734	289,109	21,120	885,533	2,249,254	430,944	808,065
$5,000 under $6,000	1,091,026	5,980,465	1,091,026	5,951,770	347,303	28,695	1,085,571	2,757,350	741,908	1,405,007
$6,000 under $7,000	912,833	5,915,819	912,833	5,896,550	283,666	19,269	911,015	2,313,978	698,262	1,325,207
$7,000 under $8,000	880,098	6,580,117	880,098	6,560,418	272,751	19,699	871,007	2,212,358	741,902	1,402,159
$8,000 under $9,000	811,019	6,905,314	811,019	6,892,071	209,127	13,243	807,381	2,050,748	745,556	1,413,573
$9,000 under $10,000	787,363	7,469,860	787,363	7,450,289	254,580	19,570	778,269	1,976,803	741,902	1,402,157
$10,000 under $11,000	652,803	6,843,541	652,803	6,825,411	214,573	18,129	649,166	1,648,882	610,980	1,157,734
$11,000 under $12,000	665,533	7,636,918	665,533	7,620,290	247,309	16,628	661,897	1,681,218	643,710	1,220,067
$12,000 under $13,000	643,709	8,040,458	643,709	8,025,698	238,211	14,760	638,254	1,621,165	632,798	1,197,770
$13,000 under $14,000	596,436	8,046,001	596,436	8,029,215	221,843	16,786	590,982	1,501,094	580,070	1,097,588
$14,000 under $15,000	520,058	7,542,302	520,058	7,522,349	216,383	19,953	518,239	1,316,327	514,603	976,254
$15,000 under $16,000	452,772	7,018,179	452,772	7,003,731	192,748	14,449	449,134	1,140,800	447,316	846,844
$16,000 under $17,000	443,688	7,319,482	443,688	7,305,212	183,661	14,270	436,414	1,108,492	441,870	833,588
$17,000 under $18,000	372,775	6,512,289	372,775	6,498,987	147,297	13,301	369,139	937,613	369,138	698,308
$18,000 under $19,000	345,495	6,383,733	345,495	6,370,858	156,381	12,875	343,676	872,937	345,495	654,949
$19,000 under $20,000	278,214	5,416,067	278,214	5,405,286	121,832	10,782	278,214	706,664	278,214	528,607
$20,000 under $25,000	958,294	21,190,858	958,294	21,142,621	454,591	48,236	954,656	2,424,826	956,475	1,814,319
$25,000 under $30,000	439,868	11,909,220	439,868	11,877,935	261,430	31,285	437,101	1,110,237	439,868	833,480
$30,000 under $40,000	214,399	7,133,495	214,399	7,115,329	136,939	18,166	214,399	544,573	214,399	407,358
$40,000 or more	33,907	1,475,389	33,907	1,473,606	17,645	1,783	33,907	86,124	33,907	64,423
Nontaxable returns, total	**4,680,536**	**9,191,201**	**4,649,626**	**9,148,739**	**667,348**	**42,462**	**4,618,710**	**9,379,939**	**2,774,858**	**5,220,733**

Footnote(s) at end of table

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxable income		Total income tax		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	**13,969,689**	**100,007,754**	**13,836,946**	**15,073,674**	**17,884,682**	**20,397,429**	**16,852,011**	**5,575,837**	**1,376,786**	**251,709**
Under $1,000	136,374	9,814	116,371	1,046	1,085,592	48,306	1,078,318	47,602	34,548	342
$1,000 under $2,000	394,598	33,613	347,319	3,349	1,709,306	189,458	1,689,304	187,511	83,645	1,029
$2,000 under $3,000	681,890	168,856	630,977	13,442	1,580,178	310,998	1,565,629	299,122	87,286	1,566
$3,000 under $4,000	756,457	718,705	743,727	75,133	1,340,138	380,441	1,258,312	314,246	132,745	8,938
$4,000 under $5,000	900,080	1,049,541	898,262	114,854	1,163,736	449,206	1,087,368	347,553	123,646	13,201
$5,000 under $6,000	1,091,026	1,818,108	1,091,026	213,588	1,056,478	529,275	963,743	334,804	127,283	19,116
$6,000 under $7,000	912,833	2,276,633	912,833	275,485	892,829	563,000	825,550	302,135	87,283	14,620
$7,000 under $8,000	880,098	2,965,600	880,098	377,519	874,641	668,642	812,820	301,632	67,278	10,509
$8,000 under $9,000	811,019	3,440,993	811,019	455,950	803,744	739,500	760,100	292,879	49,101	9,329
$9,000 under $10,000	787,363	4,090,900	787,363	552,860	776,453	818,738	734,629	280,269	52,734	14,391
$10,000 under $11,000	652,803	4,036,925	652,803	556,886	650,985	776,102	605,526	225,709	43,640	6,493
$11 000 under $12,000	665,533	4,735,632	665,533	660,762	661,897	882,762	616,436	233,109	47,279	11,109
$12,000 under $13,000	643,709	5,221,522	643,709	734,365	640,071	945,602	590,971	225,093	50,919	13,856
$13,000 under $14,000	596,436	5,447,318	596,436	772,055	594,618	981,988	563,706	219,040	32,730	9,107
$14,000 under $15,000	520,058	5,249,721	520,058	749,180	518,240	928,632	467,329	192,569	50,910	13,117
$15,000 under $16,000	452,772	5,030,534	452,772	720,768	452,772	882,235	416,405	169,415	36,367	7,948
$16,000 under $17,000	443,688	5,377,402	443,688	772,839	441,870	936,200	403,681	174,472	40,007	11,111
$17,000 under $18,000	372,775	4,876,368	372,775	703,939	370,957	850,015	350,955	152,961	21,820	6,885
$18,000 under $19,000	345,495	4,855,483	345,495	703,124	345,495	868,258	332,763	169,367	*12,732	*4,233
$19,000 under $20,000	278,214	4,180,797	278,214	606,989	278,214	747,756	267,303	147,875	*10,911	*7,107
$20,000 under $25,000	958,294	16,951,712	958,294	2,611,139	958,294	3,141,095	881,924	547,876	76,370	17,920
$25,000 under $30,000	439,868	9,965,171	439,868	1,797,006	439,868	2,041,524	381,773	265,119	56,712	20,602
$30,000 under $40,000	214,399	6,181,564	214,399	1,278,322	214,399	1,388,653	174,288	126,882	40,111	16,550
$40,000 or more	33,907	1,324,842	33,907	323,075	33,907	329,044	23,178	18,598	*10,729	*12,630
Taxable returns, total	**13,836,946**	**99,932,836**	**13,836,946**	**15,073,674**	**13,476,899**	**19,678,881**	**12,442,410**	**4,856,916**	**1,376,786**	**251,709**
Under $1,000	116,371	9,766	116,371	1,046	89,097	3,589	81,823	2,886	34,548	342
$1,000 under $2,000	347,319	31,005	347,319	3,349	283,675	25,401	261,855	23,080	83,645	1,029
$2,000 under $3,000	630,977	124,429	630,977	13,442	558,240	109,555	543,691	97,679	87,286	1,566
$3,000 under $4,000	743,727	690,875	743,727	75,133	692,808	185,545	610,982	119,350	132,745	8,938
$4,000 under $5,000	898,262	1,049,535	898,262	114,854	847,347	335,772	770,979	234,119	123,646	13,201
$5,000 under $6,000	1,091,026	1,818,108	1,091,026	213,588	1,056,478	529,275	963,743	334,804	127,283	19,116
$6,000 under $7,000	912,833	2,276,633	912,833	275,485	892,829	563,000	825,550	302,135	87,283	14,620
$7,000 under $8,000	880,098	2,965,600	880,098	377,519	874,641	668,642	812,820	301,632	67,278	10,509
$8,000 under $9,000	811,019	3,440,993	811,019	455,950	803,744	739,500	760,100	292,879	49,101	9,329
$9,000 under $10,000	787,363	4,090,900	787,363	552,860	776,453	818,738	734,629	280,269	52,734	14,391
$10,000 under $11,000	652,803	4,036,925	652,803	556,886	650,985	776,102	605,526	225,709	43,640	6,493
$11,000 under $12,000	665,533	4,735,632	665,533	660,762	661,897	882,762	616,436	233,109	47,279	11,109
$12,000 under $13,000	643,709	5,221,522	643,709	734,365	640,071	945,602	590,971	225,093	50,919	13,856
$13,000 under $14,000	596,436	5,447,318	596,436	772,055	594,618	981,988	563,706	219,040	32,730	9,107
$14,000 under $15,000	520,058	5,249,721	520,058	749,180	518,240	928,632	467,329	192,569	50,910	13,117
$15,000 under $16,000	452,772	5,030,534	452,772	720,768	452,772	882,235	416,405	169,415	36,367	7,948
$16,000 under $17,000	443,688	5,377,402	443,688	772,839	441,870	936,200	403,681	174,472	40,007	11,111
$17,000 under $18,000	372,775	4,876,368	372,775	703,939	370,957	850,015	350,955	152,961	21,820	6,885
$18,000 under $19,000	345,495	4,855,483	345,495	703,124	345,495	868,258	332,763	169,367	*12,732	*4,233
$19,000 under $20,000	278,214	4,180,797	278,214	606,989	278,214	747,756	267,303	147,875	*10,911	*7,107
$20,000 under $25,000	958,294	16,951,712	958,294	2,611,139	958,294	3,141,095	881,924	547,876	76,370	17,920
$25,000 under $30,000	439,868	9,965,171	439,868	1,797,006	439,868	2,041,524	381,773	265,119	56,712	20,602
$30,000 under $40,000	214,399	6,181,564	214,399	1,278,322	214,399	1,388,653	174,288	126,882	40,111	16,550
$40,000 or more	33,907	1,324,842	33,907	323,075	33,907	329,044	23,178	18,598	*10,729	*12,630
Nontaxable returns, total	**132,743**	**74,918**	—	—	**4,407,783**	**718,548**	**4,409,601**	**718,921**	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based
NOTE Detail may not add to total because of rounding

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxeble interest received		Tax-exempt interest		Dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	**17,446,685**	**251,591,353**	**16,934,334**	**244,682,771**	**6,203,892**	**3,877,603**	**67,006**	**36,793**	**1,028,132**	**455,090**
Under $1,000	520,053	332,081	320,033	183,773	238,208	119,477	*1,819	*1,037	54,546	26,978
$1,000 under $2,000	692,820	1,028,535	567,349	807,532	229,117	164,024	*1,818	*20	50,917	29,984
$2,000 under $3,000	712,798	1,796,549	665,519	1,529,973	223,659	181,496	—	—	49,096	29,416
$3,000 under $4,000	627,333	2,202,360	590,965	1,883,285	190,925	201,383	*1,819	*1,819	41,821	24,473
$4,000 under $5,000	703,724	3,157,363	676,450	2,786,557	181,844	201,546	—	—	45,462	28,619
$5,000 under $6,000	751,033	4,139,299	721,940	3,674,074	194,576	267,874	—	—	38,186	25,981
$6,000 under $7,000	729,177	4,737,164	710,992	4,404,769	158,206	173,578	—	—	23,636	10,277
$7,000 under $8,000	723,725	5,430,440	716,450	5,058,511	161,834	131,769	*1,818	*1,125	25,457	13,110
$8,000 under $9,000	743,733	6,334,210	731,004	5,939,364	170,932	164,179	*5,456	*16,329	29,095	23,799
$9,000 under $10,000	736,446	6,981,877	736,446	6,666,646	170,934	74,515	*1,818	*27	18,186	11,688
$10,000 under $11,000	816,881	8,567,768	815,062	8,273,099	232,752	130,816	*3,637	*347	30,912	22,386
$11,000 under $12,000	674,603	7,755,085	670,966	7,488,831	138,191	100,887	*1,819	*178	25,454	6,806
$12,000 under $13,000	656,447	8,208,392	656,447	8,017,780	163,663	72,051	—	—	20,006	7,605
$13,000 under $14,000	649,157	8,743,358	647,339	8,503,918	190,933	100,346	*7,274	*1,197	*16,367	*8,209
$14,000 under $15,000	625,557	9,089,248	625,557	8,896,657	218,227	93,047	—	—	27,278	8,673
$15,000 under $16,000	614,617	9,518,320	614,617	9,341,119	214,565	79,679	*1,819	*624	23,637	8,840
$16,000 under $17,000	494,595	8,143,055	494,595	7,897,555	165,474	113,020	*5,455	*2,620	23,639	5,782
$17,000 under $18,000	567,778	9,930,483	567,778	9,764,106	207,301	86,878	*3,637	*305	32,732	14,329
$18,000 under $19,000	466,506	8,622,528	465,506	8,508,857	196,387	61,403	*3,636	*418	36,370	9,891
$19,000 under $20,000	483,695	9,428,528	483,695	9,286,908	181,847	56,615	*3,638	*4,047	32,731	9,860
$20,000 under $25,000	1,793,675	40,046,112	1,793,675	39,517,142	796,249	326,737	*9,093	*2,230	95,063	23,058
$25,000 under $30,000	1,145,321	31,285,635	1,145,321	30,895,959	612,777	275,114	*1,383	*14	100,975	36,255
$30,000 under $40,000	1,127,437	38,509,629	1,126,054	38,044,185	687,571	457,953	*5,534	*2,482	120,436	41,867
$40,000 or more	390,574	17,603,334	390,574	17,312,173	277,720	243,217	*5,533	*1,973	66,130	27,205
Taxable returns, total	**11,707,794**	**215,384,933**	**11,366,374**	**210,225,399**	**5,341,969**	**3,208,155**	**54,277**	**16,617**	**924,482**	**413,486**
Under $1,000	189,112	141,081	36,370	18,725	176,385	98,364	—	—	43,637	23,992
$1,000 under $2,000	172,745	241,461	70,915	82,737	167,289	127,816	—	—	40,004	27,831
$2,000 under $3,000	154,554	384,495	136,372	274,021	123,644	91,433	—	—	38,184	22,156
$3,000 under $4,000	149,104	520,881	140,012	434,946	98,192	76,368	—	—	23,639	13,205
$4,000 under $5,000	183,658	843,940	176,385	706,900	92,741	86,415	—	—	25,458	17,955
$5,000 under $6,000	278,217	1,541,448	261,851	1,273,048	114,566	160,567	—	—	32,732	22,513
$6,000 under $7,000	247,303	1,610,934	236,392	1,437,291	83,654	101,741	—	—	20,000	8,691
$7,000 under $8,000	272,755	2,045,409	267,298	1,828,157	112,736	121,453	—	—	21,819	12,591
$8,000 under $9,000	336,406	2,873,024	325,496	2,604,514	114,560	119,099	*1,819	*182	20,002	22,531
$9,000 under $10,000	334,586	3,164,808	334,586	2,953,320	123,653	53,305	—	—	*16,368	*11,612
$10,000 under $11,000	422,288	4,435,315	420,469	4,228,574	176,380	115,244	*3,637	*347	29,093	22,377
$11,000 under $12,000	400,034	4,603,925	396,397	4,435,952	103,645	96,156	*1,819	*178	20,000	6,548
$12,000 under $13,000	450,967	5,651,658	450,967	5,506,391	136,385	68,734	—	—	18,188	7,514
$13,000 under $14,000	541,874	7,303,007	540,056	7,106,497	176,387	99,430	*7,274	*1,197	*16,367	*8,209
$14,000 under $15,000	571,001	8,298,697	571,001	8,122,227	212,772	92,487	—	—	27,278	8,673
$15,000 under $16,000	583,705	9,040,235	583,705	8,868,868	210,928	78,895	*1,819	*624	23,637	8,840
$16,000 under $17,000	472,777	7,786,160	472,777	7,540,809	163,656	112,993	*5,455	*2,620	23,639	5,782
$17,000 under $18,000	560,504	9,804,010	560,504	9,637,634	207,301	86,878	*3,637	*305	32,732	14,329
$18,000 under $19,000	458,231	8,488,058	458,231	8,374,475	194,568	61,315	*3,636	*418	36,370	9,891
$19,000 under $20,000	480,059	9,358,384	480,059	9,216,865	181,847	56,615	*3,638	*4,047	32,731	9,860
$20,000 under $25,000	1,784,582	39,849,406	1,784,582	39,321,131	792,612	326,564	*9,093	*2,230	95,063	23,058
$25,000 under $30,000	1,145,321	31,285,635	1,145,321	30,895,959	612,777	275,114	*1,383	*14	100,975	36,255
$30,000 under $40,000	1,127,437	38,509,629	1,126,054	38,044,185	687,571	457,953	*5,534	*2,482	120,436	41,867
$40,000 or more	390,574	17,603,334	390,574	17,312,173	277,720	243,217	*5,533	*1,973	66,130	27,205
Nontaxable returns, total	**5,738,891**	**36,206,420**	**5,567,960**	**34,457,372**	**861,923**	**669,448**	***12,729**	**20,176**	**103,650**	**41,604**

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation in AGI		Statutory adjustments						Basic standard deduction	
			Total		Primary IRA payments		Secondary IRA payments			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	**2,382,814**	**3,572,135**	**699,674**	**996,247**	**644,729**	**853,486**	**114,348**	**118,925**	**17,100,290**	**50,188,781**
Under $1,000	*7,275	*2,188	*1,819	*335	*1,819	*335	—	—	503,686	763,466
$1,000 under $2,000	36,369	26,996	—	—	—	—	—	—	667,364	1,379,108
$2,000 under $3,000	54,549	63,471	*5,455	*7,807	*5,455	*7,807	—	—	687,343	1,730,114
$3,000 under $4,000	76,373	97,184	*3,638	*3,965	*3,638	*3,965	—	—	610,966	1,584,205
$4,000 under $5,000	112,747	147,916	*3,637	*7,274	*3,637	*7,274	—	—	685,544	1,869,712
$5,000 under $6,000	130,967	189,873	*12,728	*18,504	*10,909	*14,866	*1,819	*3,638	736,487	2,063,036
$6,000 under $7,000	123,654	171,208	*12,727	*22,667	*10,909	*19,031	*1,818	*3,636	716,447	2,019,913
$7,000 under $8,000	149,112	244,124	*12,729	*17,074	*10,910	*16,288	*1,819	*786	701,905	1,974,171
$8,000 under $9,000	172,749	227,138	*14,548	*20,270	*12,729	*16,159	*1,818	*3,636	720,094	2,071,758
$9,000 under $10,000	154,566	249,496	*16,365	*20,468	*16,365	*18,150	*1,818	*2,318	721,898	2,040,339
$10,000 under $11,000	103,648	179,508	23,639	38,041	23,639	38,041	—	—	798,696	2,350,387
$11,000 under $12,000	120,007	201,223	25,457	42,662	23,639	30,663	*7,272	*11,999	658,240	1,909,291
$12,000 under $13,000	83,652	144,010	23,640	33,054	20,003	30,691	*3,637	*2,364	643,719	1,902,903
$13,000 under $14,000	92,737	161,414	25,457	30,529	23,638	27,651	*3,636	*2,182	641,883	1,911,761
$14,000 under $15,000	90,924	124,228	25,462	33,357	25,462	33,221	*1,819	*136	616,464	1,801,308
$15,000 under $16,000	76,376	130,447	25,455	41,764	25,455	40,855	*3,637	*909	603,708	1,818,362
$16,000 under $17,000	69,093	147,460	18,185	20,763	*16,366	*20,451	—	—	489,138	1,492,172
$17,000 under $18,000	76,376	109,783	34,551	44,614	30,914	42,512	*3,637	*964	558,686	1,695,872
$18,000 under $19,000	60,005	85,943	32,732	43,566	32,732	43,566	—	—	460,050	1,413,027
$19,000 under $20,000	67,279	92,868	*16,365	*17,723	*16,365	*17,723	—	—	474,602	1,481,084
$20,000 under $25,000	212,752	310,989	109,856	131,813	101,198	116,322	*6,919	*10,205	1,771,854	5,759,821
$25,000 under $30,000	145,246	231,680	98,209	153,373	91,293	130,472	17,980	18,465	1,131,490	3,828,200
$30,000 under $40,000	124,489	167,697	124,497	202,072	112,046	150,827	42,886	45,645	1,113,601	3,921,784
$40,000 or more	41,869	65,292	32,523	44,553	25,608	26,616	13,833	12,042	386,425	1,406,989
Taxable returns, total	**1,620,865**	**2,488,841**	**661,488**	**950,948**	**615,635**	**825,343**	**103,439**	**102,242**	**11,490,501**	**34,093,816**
Under $1,000	—	—	—	—	—	—	—	—	189,112	98,009
$1,000 under $2,000	*3,638	*3,078	—	—	—	—	—	—	172,745	135,018
$2,000 under $3,000	*1,818	*1,056	*3,637	*4,171	*3,637	*4,171	—	—	154,554	275,117
$3,000 under $4,000	—	—	*1,819	*3,638	*1,819	*3,638	—	—	141,829	324,263
$4,000 under $5,000	30,911	39,943	*3,637	*7,274	*3,637	*7,274	—	—	176,386	423,812
$5,000 under $6,000	63,647	96,413	*7,272	*11,093	*7,272	*11,093	—	—	270,944	687,288
$6,000 under $7,000	60,013	78,665	*9,091	*15,455	*9,091	*15,455	—	—	238,211	596,766
$7,000 under $8,000	58,189	94,901	*7,273	*11,694	*5,454	*10,908	*1,819	*786	263,664	675,960
$8,000 under $9,000	103,648	146,675	*12,729	*19,795	*12,729	*16,159	*1,818	*3,636	321,858	854,467
$9,000 under $10,000	94,559	161,483	*10,911	*14,912	*10,911	*14,912	—	—	321,857	864,175
$10,000 under $11,000	60,006	103,523	21,820	34,403	21,820	34,403	—	—	409,559	1,146,796
$11,000 under $12,000	65,462	98,420	18,185	33,150	18,185	26,424	*3,636	*6,727	385,489	1,044,530
$12,000 under $13,000	61,831	100,255	21,822	31,236	20,003	30,691	*1,819	*546	438,239	1,241,184
$13,000 under $14,000	72,737	119,400	25,457	30,529	23,638	27,651	*3,636	*2,182	534,600	1,549,472
$14,000 under $15,000	80,014	108,667	25,462	33,357	25,462	33,221	*1,819	*136	561,908	1,624,986
$15,000 under $16,000	72,738	125,397	25,455	41,764	25,455	40,855	*3,637	*909	572,796	1,717,661
$16,000 under $17,000	67,275	147,338	18,185	20,763	*16,366	*20,451	—	—	467,320	1,423,446
$17,000 under $18,000	76,376	109,783	34,551	44,614	30,914	42,512	*3,637	*964	551,412	1,672,957
$18,000 under $19,000	60,005	85,943	32,732	43,566	32,732	43,566	—	—	452,775	1,387,892
$19,000 under $20,000	65,461	92,766	*16,365	*17,723	*16,365	*17,723	—	—	470,966	1,467,412
$20,000 under $25,000	210,933	310,465	109,856	131,813	101,198	116,322	*6,919	*10,205	1,762,761	5,725,631
$25,000 under $30,000	145,246	231,680	98,209	153,373	91,293	130,472	17,980	18,465	1,131,490	3,828,200
$30,000 under $40,000	124,489	167,697	124,497	202,072	112,046	150,827	42,886	45,645	1,113,601	3,921,784
$40,000 or more	41,869	65,292	32,523	44,553	25,608	26,616	13,833	12,042	386,425	1,406,989
Nontaxable returns, total	**761,949**	**1,083,294**	**38,186**	**45,299**	**29,094**	**28,142**	***10,909**	***16,682**	**5,609,789**	**16,094,965**

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Additional standard deduction		Exemptions		Taxable income		Child care credit		Earned income credit used to offset income tax before credits	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	**528,261**	**435,316**	**40,870,115**	**76,912,606**	**13,371,624**	**136,807,833**	**2,171,967**	**939,247**	**2,123,888**	**380,980**
Under $1,000	*10,910	*8,728	512,774	955,938	190,930	43,075	—	—	—	—
$1,000 under $2,000	27,276	21,003	909,220	1,686,388	183,654	111,158	—	—	—	—
$2,000 under $3,000	25,460	22,641	1,125,589	2,086,689	170,917	124,347	—	—	—	—
$3,000 under $4,000	25,457	19,911	936,465	1,750,225	158,196	187,885	—	—	*1,818	*236
$4,000 under $5,000	41,822	33,003	1,291,072	2,416,677	200,022	240,334	*1,818	*31	*7,274	*236
$5,000 under $6,000	56,371	45,279	1,503,914	2,824,163	292,764	468,563	*1,819	*302	*5,455	*615
$6,000 under $7,000	45,459	40,640	1,569,288	2,963,606	389,136	621,775	27,275	1,620	116,376	5,701
$7,000 under $8,000	29,093	21,547	1,612,940	3,020,545	454,596	1,076,880	56,372	7,485	125,468	19,013
$8,000 under $9,000	56,370	48,005	1,665,674	3,122,596	545,529	1,625,898	60,007	13,161	165,481	28,401
$9,000 under $10,000	23,642	21,277	1,651,080	3,105,191	594,616	2,087,467	107,283	31,858	198,207	47,967
$10,000 under $11,000	30,911	25,366	2,035,202	3,811,600	680,504	2,653,472	105,465	34,516	241,848	63,470
$11,000 under $12,000	*16,363	*14,181	1,643,774	3,080,119	605,506	2,888,228	127,288	46,976	236,382	61,842
$12,000 under $13,000	*16,368	*12,821	1,600,203	3,006,638	621,894	3,351,626	129,103	51,035	310,946	71,512
$13,000 under $14,000	*14,549	*12,276	1,656,539	3,129,022	620,065	3,751,117	120,010	48,698	303,664	53,059
$14,000 under $15,000	*12,729	*8,729	1,502,064	2,834,390	609,190	4,466,206	141,846	67,995	292,776	26,057
$15,000 under $16,000	*14,547	*12,547	1,585,624	2,976,105	601,889	4,733,585	114,561	59,454	118,193	2,871
$16,000 under $17,000	*10,911	*8,729	1,314,655	2,483,984	485,505	4,174,240	92,739	45,858	—	—
$17,000 under $18,000	*14,549	*12,003	1,486,073	2,795,207	565,959	5,429,989	100,010	50,627	—	—
$18,000 under $19,000	*10,910	*11,183	1,223,781	2,314,744	460,050	4,889,833	101,830	54,564	—	—
$19,000 under $20,000	*1,819	*2,183	1,276,501	2,410,221	483,695	5,534,585	76,370	45,286	—	—
$20,000 under $25,000	18,184	15,002	4,965,752	9,386,267	1,793,675	24,882,532	329,124	169,080	—	—
$25,000 under $30,000	*12,448	*8,921	3,289,368	6,216,910	1,145,321	21,227,703	231,002	102,175	—	—
$30,000 under $40,000	*9,683	*7,884	3,332,421	6,305,808	1,127,437	28,272,374	183,971	74,281	—	—
$40,000 or more	*2,430	*1,458	1,180,142	2,229,574	390,574	13,964,961	64,074	34,245	—	—
Taxable returns, total	**270,047**	**216,562**	**25,506,357**	**48,019,279**	**11,707,794**	**133,039,877**	**1,488,253**	**697,361**	**978,298**	**189,876**
Under $1,000	—	—	—	—	189,112	43,072	—	—	—	—
$1,000 under $2,000	*1,818	*1,364	—	—	172,745	105,080	—	—	—	—
$2,000 under $3,000	—	—	—	—	154,554	109,379	—	—	—	—
$3,000 under $4,000	—	—	*12,731	*17,932	149,104	178,686	—	—	—	—
$4,000 under $5,000	—	—	109,099	198,053	183,658	222,075	—	—	—	—
$5,000 under $6,000	*14,548	*10,911	210,933	393,099	278,217	450,149	—	—	—	—
$6,000 under $7,000	23,638	17,729	241,845	450,414	247,303	545,931	—	—	—	—
$7,000 under $8,000	*16,365	*12,274	294,577	550,533	272,755	806,642	—	—	—	—
$8,000 under $9,000	29,094	21,548	416,420	774,578	336,406	1,222,431	*1,819	*151	—	—
$9,000 under $10,000	*9,093	*6,547	449,144	827,770	334,586	1,465,907	*1,818	*491	*14,548	*6,852
$10,000 under $11,000	27,275	22,911	665,948	1,239,300	422,288	2,026,308	*3,637	*949	52,731	24,109
$11,000 under $12,000	*14,545	*12,818	667,327	1,230,832	400,034	2,315,091	*16,365	*5,732	89,098	34,323
$12,000 under $13,000	*14,549	*11,729	841,919	1,565,899	450,967	2,832,845	32,731	10,644	169,112	48,262
$13,000 under $14,000	*12,730	*11,185	1,147,403	2,161,663	541,874	3,580,687	81,823	32,763	250,932	47,997
$14,000 under $15,000	*10,911	*7,638	1,249,285	2,354,110	571,001	4,309,823	107,294	48,771	283,684	25,462
$15,000 under $16,000	*14,547	*12,547	1,418,338	2,658,262	583,705	4,649,917	96,377	48,624	118,193	2,871
$16,000 under $17,000	*10,911	*8,729	1,194,661	2,255,995	472,777	4,097,171	80,011	35,485	—	—
$17,000 under $18,000	*14,549	*12,003	1,444,244	2,715,732	560,504	5,402,863	94,555	46,940	—	—
$18,000 under $19,000	*10,910	*11,183	1,171,039	2,214,534	458,231	4,874,449	100,011	52,434	—	—
$19,000 under $20,000	*1,819	*2,183	1,260,139	2,379,133	480,059	5,509,201	72,734	41,906	—	—
$20,000 under $25,000	18,184	15,002	4,909,374	9,279,149	1,784,582	24,827,133	320,031	161,770	—	—
$25,000 under $30,000	*12,448	*8,921	3,289,368	6,216,910	1,145,321	21,227,703	231,002	102,175	—	—
$30,000 under $40,000	*9,683	*7,884	3,332,421	6,305,808	1,127,437	28,272,374	183,971	74,281	—	—
$40,000 or more	*2,430	*1,458	1,180,142	2,229,574	390,574	13,964,961	64,074	34,245	—	—
Nontaxable returns, total	**258,214**	**218,754**	**15,363,758**	**28,893,327**	**1,663,830**	**3,767,956**	**683,714**	**241,886**	**1,145,590**	**191,104**

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax after credits		Taxpayments				Overpayment refunded		Tax due at time of filing	
			Total		Income tax withheld					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	**11,707,794**	**19,014,081**	**16,286,938**	**27,334,276**	**16,286,938**	**27,334,276**	**15,369,405**	**10,821,413**	**1,744,938**	**500,157**
Under $1,000	189,112	4,670	258,209	9,757	258,209	9,757	281,846	21,037	170,928	4,271
$1,000 under $2,000	172,745	16,687	478,242	49,460	478,242	49,460	516,427	97,330	132,744	15,261
$2,000 under $3,000	154,554	14,719	583,691	88,909	583,691	88,909	594,603	181,628	61,820	10,579
$3,000 under $4,000	149,104	18,658	527,321	117,977	527,321	117,977	529,138	215,597	56,371	7,792
$4,000 under $5,000	183,658	23,880	618,258	174,145	618,258	174,145	643,715	350,240	30,915	4,803
$5,000 under $6,000	278,217	51,264	649,162	230,845	649,162	230,845	632,836	447,928	81,831	11,007
$6,000 under $7,000	247,303	63,278	670,987	300,543	670,987	300,543	676,438	563,829	34,553	7,745
$7,000 under $8,000	272,755	99,692	674,624	357,914	674,624	357,914	658,265	548,583	56,368	15,167
$8,000 under $9,000	336,406	155,022	698,274	459,581	698,274	459,581	681,905	538,113	45,463	11,952
$9,000 under $10,000	334,586	182,506	716,445	544,340	716,445	544,340	696,438	553,027	36,371	7,114
$10,000 under $11,000	422,288	239,489	780,513	654,454	780,513	654,454	760,515	575,847	54,548	13,680
$11,000 under $12,000	400,034	267,050	661,874	675,365	661,874	675,365	636,416	491,275	38,187	5,574
$12,000 under $13,000	450,967	319,254	649,174	715,955	649,174	715,955	620,079	443,910	34,549	9,679
$13,000 under $14,000	541,874	402,997	630,973	776,533	630,973	776,533	598,240	401,828	50,917	12,296
$14,000 under $15,000	571,001	515,182	620,103	889,363	620,103	889,363	581,917	390,068	43,640	11,851
$15,000 under $16,000	583,705	586,003	614,617	908,384	614,617	908,384	569,158	334,008	45,459	11,240
$16,000 under $17,000	472,777	530,214	490,959	803,315	490,959	803,315	454,590	283,940	38,187	10,838
$17,000 under $18,000	560,504	702,633	565,960	1,031,034	565,960	1,031,034	535,046	337,017	32,732	8,617
$18,000 under $19,000	458,231	633,784	465,506	911,408	465,506	911,408	423,686	292,183	41,820	14,559
$19,000 under $20,000	480,059	735,011	481,876	1,007,822	481,876	1,007,822	425,505	291,732	58,190	18,922
$20,000 under $25,000	1,784,582	3,445,914	1,788,221	4,625,037	1,788,221	4,625,037	1,613,139	1,231,030	176,900	51,907
$25,000 under $30,000	1,145,321	3,116,912	1,145,321	3,900,557	1,145,321	3,900,557	979,334	837,340	164,603	53,695
$30,000 under $40,000	1,127,437	4,394,415	1,126,054	5,385,214	1,126,054	5,385,214	993,259	1,069,027	134,178	78,227
$40,000 or more	390,574	2,494,848	390,574	2,716,363	390,574	2,716,363	266,910	324,896	123,664	103,381
Taxable returns, total	**11,707,794**	**19,014,081**	**11,217,265**	**25,237,571**	**11,217,265**	**25,237,571**	**9,952,380**	**6,723,399**	**1,744,938**	**500,157**
Under $1,000	189,112	4,670	20,003	946	20,003	946	18,184	547	170,928	4,271
$1,000 under $2,000	172,745	16,687	58,185	5,051	58,185	5,051	40,001	3,625	132,744	15,261
$2,000 under $3,000	154,554	14,719	114,554	18,506	114,554	18,506	90,916	14,366	61,820	10,579
$3,000 under $4,000	149,104	18,658	123,646	27,447	123,646	27,447	92,733	16,581	56,371	7,792
$4,000 under $5,000	183,658	23,880	165,473	57,731	165,473	57,731	152,743	38,654	30,915	4,803
$5,000 under $6,000	278,217	51,264	243,664	103,873	243,664	103,873	196,386	63,616	81,831	11,007
$6,000 under $7,000	247,303	63,278	236,392	137,402	236,392	137,402	212,750	81,869	34,553	7,745
$7,000 under $8,000	272,755	99,692	258,206	161,435	258,206	161,435	216,387	76,910	56,368	15,167
$8,000 under $9,000	336,406	155,022	318,223	256,567	318,223	256,567	289,124	113,497	45,463	11,952
$9,000 under $10,000	334,586	182,506	332,768	300,764	332,768	300,764	298,215	125,372	36,371	7,114
$10,000 under $11,000	422,288	239,489	411,377	408,933	411,377	408,933	365,922	183,124	54,548	13,680
$11,000 under $12,000	400,034	267,050	390,942	464,826	390,942	464,826	361,847	203,350	38,187	5,574
$12,000 under $13,000	450,967	319,254	447,331	543,300	447,331	543,300	414,599	233,726	34,549	9,679
$13,000 under $14,000	541,874	402,997	536,420	697,248	536,420	697,248	490,957	306,547	50,917	12,296
$14,000 under $15,000	571,001	515,182	567,365	833,880	567,365	833,880	527,361	330,300	43,640	11,851
$15,000 under $16,000	583,705	586,003	583,705	882,235	583,705	882,235	538,246	307,471	45,459	11,240
$16,000 under $17,000	472,777	530,214	470,959	787,189	470,959	787,189	434,590	267,813	38,187	10,838
$17,000 under $18,000	560,504	702,633	558,686	1,025,337	558,686	1,025,337	527,772	331,321	32,732	8,617
$18,000 under $19,000	458,231	633,784	458,231	903,285	458,231	903,285	416,411	284,060	41,820	14,559
$19,000 under $20,000	480,059	735,011	478,240	1,004,142	478,240	1,004,142	421,869	288,053	58,190	18,922
$20,000 under $25,000	1,784,582	3,445,914	1,780,946	4,615,339	1,780,946	4,615,339	1,605,864	1,221,332	176,900	51,907
$25,000 under $30,000	1,145,321	3,116,912	1,145,321	3,900,557	1,145,321	3,900,557	979,334	837,340	164,603	53,695
$30,000 under $40,000	1,127,437	4,394,415	1,126,054	5,385,214	1,126,054	5,385,214	993,259	1,069,027	134,178	78,227
$40,000 or more	390,574	2,494,848	390,574	2,716,363	390,574	2,716,363	266,910	324,896	123,664	103,381
Nontaxable returns, total	—	—	**5,069,673**	**2,096,704**	**5,069,673**	**2,096,704**	**5,417,025**	**4,098,014**	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based
NOTE Detail may not add to total because of rounding

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest received		Tax-exempt interest	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**35,627,790**	**1,799,047,894**	**32,039,575**	**1,376,357,956**	**30,627,858**	**88,941,193**	**2,086,056**	**24,586,074**
Under $5,000	253,285	773,468	107,797	922,989	202,282	448,616	18,433	79,710
$5,000 under $10,000	854,212	6,676,401	393,643	3,259,650	660,157	1,854,061	25,615	173,052
$10,000 under $15,000	1,540,642	19,679,761	1,030,685	11,879,363	1,194,211	2,821,827	38,237	199,814
$15,000 under $20,000	2,241,796	39,639,297	1,875,726	30,540,823	1,616,532	2,965,180	38,182	141,353
$20,000 under $25,000	2,887,779	65,355,532	2,587,666	54,010,755	2,189,906	3,152,973	85,686	626,463
$25,000 under $30,000	3,307,096	91,132,391	3,053,464	78,116,879	2,596,623	3,837,526	99,050	867,554
$30,000 under $35,000	3,633,324	117,992,502	3,416,161	102,843,605	3,014,019	4,250,791	105,034	572,513
$35,000 under $40,000	3,548,321	132,955,671	3,363,040	117,227,880	3,041,517	4,119,431	115,312	489,951
$40,000 under $45,000	3,402,752	144,480,356	3,235,965	126,729,372	2,997,120	4,704,760	113,260	434,727
$45,000 under $50,000	2,786,336	132,111,306	2,668,592	117,003,048	2,517,837	3,741,443	105,325	581,550
$50,000 under $55,000	2,282,312	119,513,770	2,172,888	105,074,331	2,095,427	3,531,863	124,359	638,061
$55,000 under $60,000	1,711,406	98,207,178	1,629,671	85,146,916	1,585,643	3,259,975	112,767	862,865
$60,000 under $75,000	3,254,869	216,358,270	3,062,186	181,666,473	3,092,936	8,260,034	286,700	3,013,786
$75,000 under $100,000	1,950,548	165,810,706	1,783,647	128,452,782	1,888,989	8,047,167	276,677	2,153,009
$100,000 under $200,000	1,444,180	191,916,897	1,220,917	121,190,018	1,410,727	12,937,792	336,442	4,445,007
$200,000 under $500,000	420,380	121,397,267	347,698	67,057,032	415,815	9,046,971	151,021	4,289,338
$500,000 under $1,000,000	73,940	49,993,413	61,047	23,445,694	73,583	4,077,155	35,131	2,270,958
$1,000,000 or more	34,612	85,053,708	28,782	21,790,347	34,534	7,883,628	18,825	2,746,363
Total taxable returns	33,913,680	1,776,447,746	31,113,087	1,362,814,868	29,215,963	83,492,217	2,010,220	23,741,371
Total nontaxable returns	1,714,110	22,600,148	926,488	13,543,088	1,411,895	5,448,976	75,836	844,703

Size of adjusted gross income	Dividends		State income tax refunds		Alimony received		Business or profession net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	**12,461,436**	**46,033,184**	**19,293,123**	**10,173,526**	**265,388**	**2,315,163**	**7,018,061**	**82,753,576**
Under $5,000	73,390	118,731	63,525	19,424	*1,818	*6,545	103,367	61,734
$5,000 under $10,000	222,715	325,470	240,241	68,139	*14,558	*95,021	227,274	966,788
$10,000 under $15,000	368,412	746,139	527,622	131,854	34,561	146,197	398,261	2,040,314
$15,000 under $20,000	445,704	1,003,294	967,207	279,307	40,008	213,266	452,921	2,184,376
$20,000 under $25,000	648,747	1,167,494	1,410,013	424,972	32,807	228,694	604,196	4,068,401
$25,000 under $30,000	812,227	1,439,835	1,748,486	545,041	34,483	171,332	628,565	3,748,643
$30,000 under $35,000	952,580	1,698,474	2,019,620	701,058	24,181	218,157	640,235	4,022,875
$35,000 under $40,000	1,040,281	1,570,910	2,033,975	801,390	16,551	172,702	636,810	4,389,616
$40,000 under $45,000	1,092,960	1,649,348	2,053,573	765,757	13,344	123,826	599,907	4,615,896
$45,000 under $50,000	925,383	1,566,721	1,673,600	679,522	9,317	123,872	424,414	3,992,731
$50,000 under $55,000	868,778	1,571,587	1,341,541	599,091	*7,608	*50,217	359,377	3,620,243
$55,000 under $60,000	744,421	1,502,493	1,052,648	493,427	*6,638	*102,811	295,427	3,136,017
$60,000 under $75,000	1,608,649	4,044,175	1,968,378	1,174,536	14,356	221,176	638,455	9,432,577
$75,000 under $100,000	1,192,434	4,558,888	1,117,280	877,894	8,534	194,702	439,017	9,671,245
$100,000 under $200,000	1,022,034	8,318,146	784,827	1,064,255	4,847	97,183	419,853	16,870,991
$200,000 under $500,000	346,107	6,560,347	229,047	724,847	1,470	130,869	117,070	6,634,638
$500,000 under $1,000,000	65,148	2,871,567	40,902	312,795	233	4,818	21,841	1,625,988
$1,000,000 or more	31,466	5,319,565	20,638	510,218	74	13,773	11,071	1,670,501
Total taxable returns	11,984,852	44,528,641	18,727,515	9,935,837	244,899	2,176,845	6,405,284	80,089,652
Total nontaxable returns	476,584	1,504,543	565,608	237,688	20,489	138,318	612,777	2,663,924

Size of adjusted gross income	Sales of capital assets reported on Schedule D net gain less loss		Sales of property other than capital assets net gain less loss		Pensions and annuities in AGI		Rent and royalty net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	**9,059,422**	**110,648,520**	**1,046,080**	**970,957**	**6,656,989**	**55,904,373**	**2,660,492**	**19,194,007**
Under $5,000	65,780	64,826	12,071	−43,621	37,598	90,420	30,546	83,620
$5,000 under $10,000	192,923	426,545	26,016	51,134	227,790	1,050,234	79,567	231,404
$10,000 under $15,000	319,892	579,364	32,308	−10,794	388,696	2,496,908	113,309	345,368
$15,000 under $20,000	328,906	763,779	42,719	−81,349	420,395	3,044,878	128,782	412,654
$20,000 under $25,000	490,056	691,258	66,307	−103,801	440,293	3,320,269	185,783	476,896
$25,000 under $30,000	513,518	951,272	75,112	−10,707	530,241	3,515,990	172,241	513,043
$30,000 under $35,000	639,831	1,035,891	79,162	−11,744	578,921	4,240,595	186,066	666,360
$35,000 under $40,000	670,967	1,143,791	70,884	−14,507	598,920	4,390,943	190,607	684,250
$40,000 under $45,000	671,305	1,662,608	54,360	−26,920	661,980	4,908,288	177,958	647,518
$45,000 under $50,000	556,599	1,424,543	48,305	54,886	504,769	3,572,141	184,890	838,753
$50,000 under $55,000	583,020	1,595,597	51,238	50,245	430,487	3,447,964	151,091	604,196
$55,000 under $60,000	478,830	1,868,856	34,669	20,118	331,686	2,695,376	113,957	552,695
$60,000 under $75,000	1,149,383	5,342,262	115,374	135,009	700,767	6,737,792	272,551	1,450,866
$75,000 under $100,000	985,082	7,440,805	104,923	158,207	410,798	5,135,748	234,649	2,079,657
$100,000 under $200,000	971,501	18,963,258	130,339	185,195	296,765	4,776,038	278,842	3,967,075
$200,000 under $500,000	342,322	20,669,858	74,189	324,066	77,930	1,710,720	118,836	3,026,238
$500,000 under $1,000,000	66,920	12,077,437	17,799	178,386	13,099	443,125	26,878	1,288,317
$1,000,000 or more	32,587	33,946,570	10,305	117,153	5,854	326,945	13,939	1,325,097
Total taxable returns	8,594,447	108,390,120	963,077	1,253,515	6,287,973	53,917,582	2,452,959	18,153,738
Total nontaxable returns	464,975	2,258,400	83,003	−282,558	369,016	1,986,791	207,533	1,040,269

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Rent and royalty net loss		Farm rental income less loss		Partnership and S-Corporation net income less loss		Estate or trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	**4,082,376**	**27,480,696**	**211,539**	**685,703**	**3,952,150**	**36,073,943**	**457,371**	**3,261,444**
Under $5,000	41,463	354,960	*5,544	*10,058	26,684	−181,277	*9,102	*−10,114
$5,000 under $10,000	95,806	772,570	*10,918	*−21,280	54,943	−464,509	15,109	−22,101
$10,000 under $15,000	158,478	836,123	*12,731	*76,935	101,380	−319,253	20,021	−24,448
$15,000 under $20,000	201,159	1,000,707	*13,633	*55,470	137,150	−270,550	22,965	113,594
$20,000 under $25,000	274,414	1,596,982	20,210	53,900	189,371	−149,922	28,294	129,100
$25,000 under $30,000	283,742	1,428,554	*9,228	*−28,785	174,765	−1,988	29,006	143,737
$30,000 under $35,000	307,219	1,589,284	16,489	35,700	222,254	51,404	23,528	90,725
$35,000 under $40,000	305,808	1,588,524	16,878	85,933	220,253	335,334	23,878	60,025
$40,000 under $45,000	296,390	1,553,540	13,903	13,441	245,033	364,903	19,390	49,150
$45,000 under $50,000	258,609	1,465,617	*8,147	*−2,715	224,207	124 169	23,227	65,527
$50,000 under $55,000	261,178	1,544,585	13,329	26,193	215,410	462,382	19,230	141,791
$55,000 under $60,000	190,112	1,203,241	13,278	18,060	178,020	435,857	13,538	106,294
$60,000 under $75,000	492,936	3,299,660	18,053	131,895	444,449	1,166,634	54,775	204,514
$75,000 under $100,000	366,728	2,788,264	14,652	31,625	477,471	2,346,807	44,129	203,893
$100,000 under $200,000	374,339	3,365,160	17,656	166,846	655,508	7,995,843	67,231	605,560
$200,000 under $500,000	135,197	1,790,606	5,733	32,111	294,492	7,702,592	32,239	478,309
$500,000 under $1,000,000	25,894	688,584	750	998	60,470	4,243,231	7,392	314,862
$1,000,000 or more	12,904	613,735	407	−681	30,290	12,232,285	4,317	611,026
Total taxable returns	3,829,941	25,162,608	187,798	652,907	3,755,589	38,257,499	414 161	3,093,984
Total nontaxable returns	252,435	2,318,088	23,741	32,796	196,561	−2,183,556	43,210	167,461

Size of adjusted gross income	Farm net income less loss		Unemployment compensation in AGI		Social Security benefits in AGI		Foreign earned income exclusion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	**811,397**	**−2,259,841**	**2,512,687**	**4,487,319**	**1,811,589**	**6,815,119**	**43,708**	**1,900,809**
Under $5,000	10,932	−78,845	*2,723	*9,562	—	—	*2,088	*85,602
$5,000 under $10,000	35,351	−26,670	39,133	69,797	—	—	*1,685	*36,181
$10,000 under $15,000	57,941	−106,814	108,219	216,456	*1,818	*8,586	5,907	205,573
$15,000 under $20,000	40,865	−94,994	210,991	418,792	*6,837	*2,652	*2,896	*162,345
$20,000 under $25,000	65,117	−131,867	239,724	438,297	56,417	68,042	2,647	86,708
$25,000 under $30,000	75,254	−265,919	327,861	634,841	154,585	268,213	4,706	137,915
$30,000 under $35,000	61,180	−158,788	353,912	645,724	212,336	481,936	2,395	86,955
$35,000 under $40,000	78,945	−115,261	300,534	449,053	179,616	532,265	1,942	77,148
$40,000 under $45,000	72,719	−191,513	267,477	463,098	187,827	716,849	1,312	56,333
$45,000 under $50,000	47,476	−60,195	187,715	323,570	150,451	577,556	558	44,036
$50,000 under $55,000	48,516	−72,702	156,231	260,001	128,126	542,583	2,071	53,995
$55,000 under $60,000	27,324	−16,596	100,424	148,859	93,758	387,909	558	33,055
$60,000 under $75,000	55,105	16,396	132,033	235,005	219,908	965,400	3,536	160,834
$75,000 under $100,000	51,092	153,908	63,894	119,525	150,485	770,472	3,882	184,895
$100,000 under $200,000	54,613	−281,870	18,899	48,320	185,401	984,228	5,473	332,364
$200,000 under $500,000	21,214	−390,171	2,533	5,370	66,366	391,362	1,636	124,476
$500,000 under $1,000,000	4,876	−183,502	298	832	11,836	78,427	303	23,876
$1,000,000 or more	2,877	−254,439	86	217	5,822	38,638	113	8,517
Total taxable returns	720,294	−1,911,748	2,417,650	4,301,557	1,782,491	6,723,234	36,542	1,532,168
Total nontaxable returns	91,103	−348,092	95,037	185,761	29,098	91,885	7,166	368,641

Size of adjusted gross income	Other income less loss		Total statutory adjustments		Itemized deductions		
						Medical and dental expense deduction	
	Number of returns	Amount	Number of returns	Amount	Total	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)
Total	**3,691,325**	**7,593,255**	**6,901,910**	**21,534,142**	**392,020,128**	**5,356,057**	**17,151,819**
Under $5,000	34,195	−248,601	35,293	60,035	1,779,286	160,968	496,035
$5,000 under $10,000	83,359	−141,556	129,086	236,992	6,239,382	529,995	2,484,259
$10,000 under $15,000	122,883	101,828	272,027	408,861	10,268,982	767,330	2,795,839
$15,000 under $20,000	180,310	−68,663	327,397	679,067	14,787,022	821,417	2,198,425
$20,000 under $25,000	236,928	320,064	570,463	1,126,301	19,402,586	720,597	1,729,195
$25,000 under $30,000	295,912	341,961	648,036	1,222,475	23,095,478	641,312	1,393,186
$30,000 under $35,000	306,835	440,170	752,608	1,584,251	27,910,096	484,032	1,061,916
$35,000 under $40,000	332,792	404,391	721,026	1,621,044	28,914,260	338,047	839,917
$40,000 under $45,000	329,018	477,110	730,880	1,585,236	30,623,815	261,033	784,008
$45,000 under $50,000	310,603	656,924	582,165	1,061,602	27,523,212	169,037	508,105
$50,000 under $55,000	252,692	568,884	319,567	962,240	23,766,652	126,616	406,168
$55,000 under $60,000	182,507	187,001	227,613	603,336	19,705,999	80,141	408,947
$60,000 under $75,000	361,103	668,476	549,291	2,038,857	43,278,063	129,258	539,602
$75,000 under $100,000	285,879	670,224	414,999	2,130,402	33,672,774	76,970	545,641
$100,000 under $200,000	254,761	1,415,406	452,469	3,689,036	38,458,847	41,842	698,850
$200,000 under $500,000	92,599	1,059,884	136,654	1,853,436	21,164,988	6,827	236,167
$500,000 under $1,000,000	18,640	328,367	21,934	403,279	7,803,448	547	20,137
$1,000,000 or more	10,309	411,387	10,402	267,693	13,625,238	88	5,422
Total taxable returns	3,489,147	8,166,508	6,613,042	20,908,494	369,919,197	4,330,985	10,275,163
Total nontaxable returns	202,178	−573,254	288,868	625,647	22,100,931	1,025,072	6,876,655

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued							
	Medical and dental expense deduction—Continued							
	Prescription medicines and drugs		Medical transportation and lodging		Miscellaneous medical expenses		Medical and dental expenses subject to reduction by AGI limitation	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
Total	**5,324,845**	**22,753,848**	**2,758,551**	**767,726**	**1,998,422**	**4,355,244**	**5,366,094**	**27,876,817**
Under $5,000	158,909	417,465	45,884	5,288	43,113	109,309	160,968	532,063
$5,000 under $10,000	522,718	2,255,004	197,186	37,123	156,620	496,550	529,995	2,788,676
$10,000 under $15,000	763,694	2,843,902	342,674	132,588	247,862	536,205	767,330	3,512,696
$15,000 under $20,000	810,489	2,685,555	391,703	82,057	301,797	503,533	821,870	3,271,144
$20,000 under $25,000	715,587	2,484,598	399,912	95,976	263,430	355,964	720,597	2,936,538
$25,000 under $30,000	637,214	2,423,941	358,035	64,683	254,456	207,471	642,696	2,696,095
$30,000 under $35,000	484,459	1,889,094	288,177	73,406	198,835	271,890	485,842	2,234,390
$35,000 under $40,000	338,048	1,433,203	211,050	53,664	113,659	299,117	340,336	1,785,984
$40,000 under $45,000	263,463	1,284,426	157,063	38,625	127,245	290,467	263,463	1,613,518
$45,000 under $50,000	168,132	979,712	102,916	23,628	74,746	94,672	169,037	1,098,012
$50,000 under $55,000	126,146	707,648	76,960	34,071	54,877	154,355	126,616	896,073
$55,000 under $60,000	80,141	480,297	44,249	17,621	40,550	249,400	80,141	747,317
$60,000 under $75,000	130,774	947,934	77,176	66,160	59,503	164,583	130,774	1,178,676
$75,000 under $100,000	75,921	871,644	48,403	24,120	37,726	130,163	76,970	1,025,927
$100,000 under $200,000	41,841	732,404	15,419	6,865	19,861	370,272	41,842	1,109,541
$200,000 under $500,000	6,685	265,224	1,513	11,093	3,882	110,281	6,982	386,597
$500,000 under $1,000,000	537	40,062	212	239	220	7,568	547	47,869
$1,000,000 or more	87	11,735	*19	*520	40	3,445	88	15,701
Total taxable returns	4,316,398	16,964,590	2,395,574	585,528	1,705,570	2,577,799	4,340,569	20,127,917
Total nontaxable returns	1,008,447	5,789,257	362,977	182,198	292,852	1,777,444	1,025,525	7,748,900

Size of adjusted gross income	Itemized deductions—Continued							
	Medical and dental expense deduction—Continued		Taxes paid deduction					
	AGI limitation		Total		State and local income taxes		Real estate taxes	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
Total	**5,371,290**	**10,736,680**	**34,866,323**	**119,388,068**	**29,411,377**	**75,366,006**	**29,985,789**	**39,068,906**
Under $5,000	160,968	36,027	201,880	288,246	92,142	86,238	162,816	172,284
$5,000 under $10,000	529,995	304,417	724,965	838,553	413,354	176,627	582,073	607,775
$10,000 under $15,000	767,330	716,857	1,428,247	1,642,833	994,079	477,556	1,114,881	1,052,883
$15,000 under $20,000	821,870	1,072,719	2,159,457	2,841,582	1,737,938	1,210,949	1,679,779	1,433,875
$20,000 under $25,000	720,597	1,207,343	2,802,837	4,427,781	2,350,665	2,090,939	2,238,444	2,075,225
$25,000 under $30,000	643,165	1,303,539	3,238,959	5,901,591	2,802,132	3,150,952	2,583,651	2,438,511
$30,000 under $35,000	488,130	1,176,275	3,556,455	7,533,665	3,047,670	4,220,469	2,949,228	2,922,444
$35,000 under $40,000	341,719	948,609	3,503,785	8,359,037	3,034,404	4,858,059	3,002,234	3,084,868
$40,000 under $45,000	264,368	831,489	3,364,700	8,945,035	2,934,528	5,319,898	2,957,365	3,198,204
$45,000 under $50,000	169,037	589,907	2,771,217	8,277,402	2,384,701	4,911,268	2,467,878	2,976,327
$50,000 under $55,000	126,616	489,905	2,269,125	7,413,972	1,949,312	4,500,209	2,037,162	2,592,053
$55,000 under $60,000	80,141	338,370	1,702,130	6,094,780	1,485,374	3,779,504	1,528,109	2,050,503
$60,000 under $75,000	130,774	639,074	3,236,847	13,979,903	2,820,954	8,686,419	3,003,575	4,668,903
$75,000 under $100,000	76,970	480,289	1,944,671	11,072,706	1,667,311	7,045,171	1,822,754	3,623,337
$100,000 under $200,000	41,843	410,699	1,435,168	13,243,485	1,237,927	9,134,918	1,357,431	3,706,294
$200,000 under $500,000	7,124	152,628	417,827	8,739,140	364,110	6,868,345	395,551	1,676,231
$500,000 under $1,000,000	548	27,763	73,614	3,639,776	64,350	3,133,187	70,033	442,769
$1,000,000 or more	95	10,770	34,439	6,148,583	30,426	5,715,298	32,825	346,421
Total taxable returns	4,345,758	9,864,355	33,376,408	116,547,041	28,522,322	74,428,920	28,709,601	37,360,099
Total nontaxable returns	1,025,532	872,325	1,489,915	2,841,027	889,055	937,086	1,276,188	1,708,807

Size of adjusted gross income	Itemized deductions—Continued							
	Taxes paid deduction—Continued				Interest paid deduction			
	Personal property taxes		Other taxes		Total		Home mortgage interest	
							Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)
Total	**10,654,578**	**2,463,071**	**8,158,011**	**2,119,024**	**33,125,737**	**179,942,422**	**27,971,641**	**136,839,622**
Under $5,000	50,015	22,017	32,761	5,314	189,063	791,735	160,445	592,907
$5,000 under $10,000	172,229	28,390	116,419	19,729	614,323	2,050,925	446,322	1,651,486
$10,000 under $15,000	331,171	48,629	268,025	37,999	1,237,436	3,908,038	936,733	3,083,669
$15,000 under $20,000	561,557	81,219	501,230	85,155	2,007,582	6,799,728	1,582,475	5,301,636
$20,000 under $25,000	825,857	121,668	595,177	112,889	2,657,573	9,440,931	2,110,835	7,481,198
$25,000 under $30,000	909,476	147,381	741,548	136,471	3,112,581	11,321,257	2,476,815	8,815,891
$30,000 under $35,000	1,053,544	195,648	831,144	166,517	3,437,997	14,121,302	2,861,870	11,157,942
$35,000 under $40,000	1,071,630	200,608	824,301	185,355	3,374,559	14,682,359	2,863,069	11,545,362
$40,000 under $45,000	1,006,979	202,379	803,408	190,845	3,261,857	15,681,085	2,848,087	12,404,884
$45,000 under $50,000	886,884	193,434	659,895	162,809	2,687,187	13,898,165	2,361,105	10,894,115
$50,000 under $55,000	707,034	157,098	548,369	146,408	2,175,715	11,592,142	1,915,416	9,197,412
$55,000 under $60,000	548,607	137,846	426,221	116,711	1,636,778	9,601,288	1,442,031	7,603,095
$60,000 under $75,000	1,126,219	321,167	852,100	275,351	3,108,515	20,724,202	2,765,005	16,403,678
$75,000 under $100,000	676,864	203,616	486,301	176,025	1,833,680	15,649,973	1,649,105	12,193,528
$100,000 under $200,000	530,119	209,751	341,372	158,372	1,315,347	16,228,887	1,158,039	12,079,642
$200,000 under $500,000	157,634	113,335	102,389	75,324	378,330	7,628,391	319,667	4,730,382
$500,000 under $1,000,000	25,705	34,164	17,801	27,196	65,987	2,235,568	51,984	1,064,837
$1,000,000 or more	13,054	44,720	9,550	40,555	31,227	3,586,447	22,638	637,957
Total taxable returns	10,270,557	2,363,145	7,902,692	2,053,223	31,784,828	170,952,219	26,813,289	130,381,331
Total nontaxable returns	384,021	99,926	255,319	65,801	1,340,909	8,990,203	1,158,352	6,458,290

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued							
	Interest paid deduction—Continued							
	Home mortgage interest—Continued				Deductible points		Investment interest paid	
	Paid to financial institutions		Paid to individuals					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)
Total	**27,218,986**	**131,630,461**	**1,917,920**	**5,209,161**	**2,996,989**	**4,038,669**	**1,640,701**	**9,881,591**
Under $5,000	153,159	569,414	12,543	23,493	12,939	20,172	10,318	60,018
$5,000 under $10,000	426,528	1,543,979	43,166	107,507	25,066	23,925	10,171	20,432
$10,000 under $15,000	908,072	2,959,217	64,508	124,453	49,213	62,715	34,173	71,939
$15,000 under $20,000	1,512,683	5,014,684	132,607	286,951	127,689	156,630	36,721	128,057
$20,000 under $25,000	2,024,349	7,060,143	170,753	421,055	155,387	151,591	64,933	137,844
$25,000 under $30,000	2,394,216	8,445,432	164,863	370,460	213,674	204,947	56,024	129,918
$30,000 under $35,000	2,769,029	10,665,482	185,252	492,460	271,109	279,272	86,479	173,336
$35,000 under $40,000	2,792,331	11,142,255	161,534	403,107	267,126	301,908	87,181	162,466
$40,000 under $45,000	2,779,086	11,982,372	184,906	422,512	289,676	344,273	91,142	144,751
$45,000 under $50,000	2,297,385	10,480,148	156,355	413,966	249,420	303,411	86,625	191,249
$50,000 under $55,000	1,880,678	8,911,166	112,522	286,246	213,888	286,734	73,446	135,592
$55,000 under $60,000	1,416,560	7,362,922	97,515	240,173	204,909	262,617	81,189	146,835
$60,000 under $75,000	2,715,060	15,925,994	182,303	477,684	389,083	564,917	203,540	552,448
$75,000 under $100,000	1,623,495	11,786,550	122,260	406,978	262,490	456,002	214,180	935,420
$100,000 under $200,000	1,138,649	11,609,598	95,216	470,044	203,566	437,490	299,828	1,644,344
$200,000 under $500,000	314,536	4,551,056	26,064	179,326	52,457	143,339	151,402	1,773,454
$500,000 under $1,000,000	50,997	1,016,293	3,877	48,543	6,748	25,572	34,364	888,465
$1,000,000 or more	22,173	603,756	1,676	34,200	2,549	13,154	18,985	2,585,024
Total taxable returns	26,099,442	125,494,879	1,821,203	4,886,453	2,908,792	3,898,924	1,565,148	8,639,404
Total nontaxable returns	1,119,544	6,135,582	96,717	322,708	88,197	139,745	75,553	1,242,187

Size of adjusted gross income	Itemized deductions—Continued							
	Interest paid deduction—Continued				Contributions deduction			
	Personal interest paid		Personal interest deduction		Total		Cash contributions	
							Under $3,000 to a single organization	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)
Total	**29,418,115**	**44,036,752**	**29,418,062**	**29,182,540**	**32,229,545**	**49,623,907**	**31,316,823**	**29,234,826**
Under $5,000	140,616	171,968	140,616	118,638	170,973	91,901	163,696	85,550
$5,000 under $10,000	460,428	529,892	460,428	355,081	604,142	525,066	580,493	428,314
$10,000 under $15,000	990,962	1,024,176	990,962	689,715	1,225,967	1,115,567	1,183,207	832,607
$15,000 under $20,000	1,690,159	1,824,348	1,690,159	1,213,405	1,860,106	1,813,388	1,806,017	1,254,355
$20,000 under $25,000	2,302,326	2,540,139	2,302,326	1,670,298	2,514,654	2,255,875	2,405,363	1,652,431
$25,000 under $30,000	2,777,466	3,275,325	2,777,466	2,170,500	2,923,960	2,768,584	2,840,804	2,078,445
$30,000 under $35,000	3,068,723	3,813,219	3,068,723	2,510,752	3,262,889	3,227,592	3,150,261	2,322,745
$35,000 under $40,000	3,071,535	4,054,542	3,071,535	2,672,623	3,251,474	3,317,404	3,148,251	2,188,991
$40,000 under $45,000	2,983,469	4,210,618	2,983,469	2,787,176	3,122,473	3,347,558	3,046,195	2,287,867
$45,000 under $50,000	2,473,543	3,803,452	2,473,543	2,509,390	2,598,634	3,130,204	2,515,273	2,146,274
$50,000 under $55,000	1,996,214	3,012,455	1,996,214	1,972,404	2,153,633	2,788,127	2,103,765	1,840,750
$55,000 under $60,000	1,497,405	2,417,129	1,497,405	1,588,740	1,616,720	2,244,484	1,587,759	1,494,572
$60,000 under $75,000	2,852,670	4,878,728	2,852,670	3,203,159	3,131,840	5,039,458	3,065,768	3,215,371
$75,000 under $100,000	1,616,468	3,116,475	1,616,468	2,065,023	1,888,478	4,074,533	1,857,233	2,492,489
$100,000 under $200,000	1,117,550	3,030,929	1,117,550	2,067,412	1,388,938	5,524,014	1,358,627	2,684,317
$200,000 under $500,000	305,022	1,459,618	304,972	981,216	409,082	3,460,851	401,214	1,376,437
$500,000 under $1,000,000	50,013	379,903	50,013	256,694	71,744	1,539,561	69,965	443,909
$1,000,000 or more	23,546	493,837	23,543	350,313	33,838	3,359,739	32,932	409,402
Total taxable returns	28,379,815	42,379,247	28,379,762	28,032,559	30,959,698	48,088,852	30,102,371	28,267,486
Total nontaxable returns	1,038,300	1,657,505	1,038,300	1,149,981	1,269,847	1,535,055	1,214,452	967,340

Size of adjusted gross income	Itemized deductions—Continued							
	Contributions deduction—Continued						Casualty or theft loss	
	Cash contributions—Continued		Other than cash contributions		Carryover from prior years			
	$3,000 or more to a single organization							
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)
Total	**1,777,629**	**12,613,714**	**10,690,887**	**6,175,807**	**196,622**	**1,865,095**	**219,905**	**1,386,421**
Under $5,000	—	—	27,361	8,809	*5,087	*3,928	*5,910	*9,061
$5,000 under $10,000	*12,267	*44,580	131,946	37,009	14,692	18,428	*7,281	*27,094
$10,000 under $15,000	42,185	170,437	317,427	86,280	22,733	26,530	18,619	74,122
$15,000 under $20,000	86,058	397,949	494,070	133,881	18,179	27,212	22,267	165,192
$20,000 under $25,000	92,612	391,648	709,582	206,050	10,440	5,703	31,201	159,010
$25,000 under $30,000	92,917	410,598	811,976	252,092	17,218	27,561	19,693	53,705
$30,000 under $35,000	138,410	591,866	949,676	304,100	10,158	9,274	23,029	66,945
$35,000 under $40,000	161,465	730,424	1,027,176	361,632	14,319	36,673	13,307	39,785
$40,000 under $45,000	146,047	733,864	998,375	312,268	7,234	13,581	17,912	235,154
$45,000 under $50,000	140,597	636,750	880,422	290,787	6,815	308,965	16,963	68,932
$50,000 under $55,000	130,143	649,453	763,938	270,516	9,312	27,414	12,918	106,337
$55,000 under $60,000	88,513	495,867	620,910	246,172	5,981	7,868	11,187	120,852
$60,000 under $75,000	204,899	1,155,370	1,329,662	624,173	15,239	44,792	12,391	68,763
$75,000 under $100,000	133,010	964,763	833,000	517,726	10,226	99,527	*2,116	*38,737
$100,000 under $200,000	185,175	1,859,378	596,601	767,745	16,877	212,567	4,306	51,057
$200,000 under $500,000	83,808	1,201,921	160,855	557,306	7,953	325,194	670	60,575
$500,000 under $1,000,000	23,925	681,124	25,565	249,499	2,326	165,030	103	21,013
$1,000,000 or more	15,598	1,497,723	12,345	949,763	1,833	504,849	32	20,088
Total taxable returns	1,719,913	12,303,594	10,392,384	6,046,006	155,575	1,730,310	183,858	721,279
Total nontaxable returns	57,716	310,120	298,503	129,800	41,047	134,785	36,047	665,142

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued						Exemptions		Taxable income	
	Moving expenses		Miscellaneous deductions subject to AGI limitation		Other miscellaneous deductions		Number of exemptions	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)
Total	**960,651**	**3,704,175**	**8,131,762**	**18,902,816**	**1,244,322**	**1,920,500**	**97,769,183**	**184,063,605**	**34,201,583**	**1,234,720,070**
Under $5,000	*2,513	*6,164	77,646	76,237	13,752	19,908	429,680	784,467	22,263	25,123
$5,000 under $10,000	14,695	37,235	187,395	247,072	28,868	29,178	1,383,858	2,557,088	370,562	773,397
$10,000 under $15,000	40,159	70,049	315,095	575,193	56,503	87,340	3,036,344	5,592,672	1,177,335	5,748,514
$15,000 under $20,000	39,754	110,543	505,279	704,711	88,177	153,454	4,877,654	9,094,327	2,067,863	16,920,889
$20,000 under $25,000	54,919	114,482	718,811	1,145,366	111,528	129,945	6,760,503	12,675,431	2,801,362	34,020,419
$25,000 under $30,000	107,056	276,242	782,935	1,277,364	117,034	103,550	8,347,381	15,720,220	3,280,304	52,717,923
$30,000 under $35,000	82,140	220,357	940,864	1,528,189	126,816	150,131	9,840,344	18,536,551	3,615,739	71,916,949
$35,000 under $40,000	90,681	201,278	823,733	1,380,519	111,642	93,962	10,183,829	19,210,568	3,540,601	85,077,454
$40,000 under $45,000	69,894	241,328	746,440	1,276,116	125,247	113,531	10,163,018	19,151,206	3,396,214	95,137,281
$45,000 under $50,000	71,390	236,601	618,548	1,279,945	97,075	123,859	8,568,231	16,141,317	2,779,435	88,683,487
$50,000 under $55,000	67,492	255,049	480,774	1,130,124	75,364	74,734	7,029,133	13,284,416	2,279,997	82,582,995
$55,000 under $60,000	49,720	211,133	371,906	954,433	52,426	70,082	5,261,730	9,961,011	1,706,653	68,662,626
$60,000 under $75,000	115,470	624,096	744,423	2,148,872	106,102	153,165	9,914,135	18,751,185	3,251,092	154,530,109
$75,000 under $100,000	74,857	465,738	428,565	1,698,155	64,166	127,291	5,976,465	11,290,795	1,947,286	121,045,558
$100,000 under $200,000	68,179	527,057	304,163	1,958,898	53,075	226,598	4,401,833	8,295,603	1,438,552	145,485,077
$200,000 under $500,000	10,326	91,664	71,627	821,829	12,561	126,371	1,275,079	2,412,366	418,471	98,046,622
$500,000 under $1,000,000	1,103	12,071	9,744	308,428	2,540	26,894	219,845	415,174	73,482	41,901,188
$1,000,000 or more	303	3,089	3,814	391,365	1,446	110,506	100,121	189,207	34,372	71,444,459
Total taxable returns	924,310	3,593,583	7,762,186	18,074,541	1,169,109	1,666,518	93,380,328	175,932,854	33,888,547	1,233,273,841
Total nontaxable returns	36,341	110,592	369,576	828,275	75,213	253,983	4,388,855	8,130,751	313,036	1,446,229

Size of adjusted gross income	Income tax before credits		Total tax credits		Income tax after credits		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)
Total	**34,174,378**	**274,876,115**	**5,512,171**	**3,372,261**	**33,893,563**	**271,503,854**	**126,188**	**1,502,688**	**33,913,680**	**273,006,542**
Under $5,000	20,437	9,198	*430	*33	20,437	9,165	*6	*817	20,443	9,982
$5,000 under $10,000	358,689	98,448	59,929	10,826	304,117	87,622	*1,462	*24,418	305,579	112,041
$10,000 under $15,000	1,164,581	752,120	278,610	63,226	1,054,407	688,894	*576	*1,539	1,054,980	690,433
$15,000 under $20,000	2,068,209	2,335,722	219,685	62,438	2,036,060	2,273,284	*952	*3,131	2,036,581	2,276,415
$20,000 under $25,000	2,801,756	4,886,299	316,315	132,263	2,768,174	4,754,036	*3,692	*7,872	2,771,078	4,761,909
$25,000 under $30,000	3,279,399	8,017,442	446,252	166,909	3,262,831	7,850,533	4,329	18,123	3,263,482	7,868,656
$30,000 under $35,000	3,614,834	11,295,269	527,316	215,365	3,602,151	11,079,904	2,318	13,568	3,602,257	11,093,472
$35,000 under $40,000	3,540,936	13,556,537	553,792	215,912	3,538,203	13,340,625	4,277	22,730	3,539,100	13,363,355
$40,000 under $45,000	3,396,214	15,719,103	595,573	247,907	3,387,830	15,471,196	1,662	10,286	3,388,670	15,481,481
$45,000 under $50,000	2,779,434	15,407,617	499,879	204,437	2,776,237	15,203,180	4,782	20,536	2,778,683	15,223,716
$50,000 under $55,000	2,279,997	15,244,052	416,775	184,855	2,278,625	15,059,197	2,397	15,942	2,279,231	15,075,139
$55,000 under $60,000	1,706,653	13,322,410	325,730	151,783	1,705,621	13,170,627	4,728	23,627	1,706,253	13,194,254
$60,000 under $75,000	3,251,092	32,806,786	566,509	289,191	3,248,570	32,517,595	12,609	51,958	3,249,895	32,569,553
$75,000 under $100,000	1,947,283	29,245,085	335,885	235,467	1,946,798	29,009,619	16,758	91,328	1,948,530	29,100,947
$100,000 under $200,000	1,438,551	41,239,838	250,951	400,242	1,437,471	40,839,595	35,839	334,299	1,440,790	41,173,894
$200,000 under $500,000	418,460	32,118,086	85,277	312,596	418,212	31,805,489	23,127	425,724	419,786	32,231,214
$500,000 under $1,000,000	73,480	14,444,416	21,173	145,494	73,455	14,298,922	4,355	174,741	73,821	14,473,664
$1,000,000 or more	34,373	24,377,687	12,090	333,317	34,364	24,044,370	2,319	262,048	34,521	24,306,418
Total taxable returns	33,895,608	274,679,604	5,233,401	3,175,750	33,893,563	271,503,854	126,188	1,502,688	33,913,680	273,006,542
Total nontaxable returns	278,770	196,511	278,770	196,511	—	—	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based
NOTE Detail may not add to total because of rounding

Table 2.2—Returns With Itemized Deductions: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of husbands and wives		Separate returns of husbands and wives		Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income less deficit	35,627,790	1,799,047,894	25,265,390	1,441,383,435	559,959	19,468,562	2,566,800	79,456,564	20,322	790,129	7,215,319	257,949,205
Salaries and wages	32,039,575	1,376,357,956	23,503,807	1,123,193,292	498,504	13,850,364	2,404,301	65,856,425	11,982	338,560	5,620,981	173,119,315
Taxable interest received	30,627,858	88,941,193	22,270,169	61,545,549	372,620	1,158,477	1,886,394	2,855,530	20,322	156,163	6,078,353	23,225,473
Tax-exempt interest	2,086,056	24,586,074	1,467,811	16,743,982	23,762	250,780	64,251	525,997	1,841	7,646	528,391	7,057,668
Dividends	12,461,436	46,033,184	9,088,243	29,853,920	143,693	734,552	594,181	1,599,365	11,207	56,446	2,624,112	13,788,901
State income tax refunds	19,293,123	10,173,526	14,336,442	7,933,840	226,112	106,314	1,380,667	541,794	11,613	8,663	3,338,289	1,582,914
Alimony received	265,388	2,315,163	53,766	157,501	*5,026	*57,490	131,989	1,356,610	—	—	74,607	743,562
Business or profession.												
Net income	5,264,067	92,021,934	4,354,589	77,232,918	62,201	935,725	209,304	2,999,218	*480	*22,613	637,493	10,831,460
Net loss	1,753,994	9,268,357	1,447,991	7,713,901	16,868	124,955	70,294	277,472	*1,621	*5,345	217,220	1,146,684
Sales of capital assets reported on Schedule D												
Net gain	6,632,839	115,194,258	4,845,316	87,586,112	77,699	2,154,118	285,978	3,030,895	3,555	129,476	1,420,291	22,293,657
Net loss	2,426,583	4,545,738	1,694,136	3,205,555	32,032	36,619	122,877	231,977	*6,264	*13,819	571,274	1,057,768
Sales of property other than capital assets	1,046,080	970,957	838,568	676,037	12,565	15,198	32,837	46,230	*107	*576	162,003	232,915
Pensions and annuities in AGI	6,656,989	55,904,373	4,847,904	43,015,916	62,026	462,373	351,801	1,645,056	11,633	89,548	1,383,625	10,691,481
Rent and Royalty												
Net income	2,660,492	19,194,007	2,076,758	15,411,377	26,951	207,027	105,714	529,121	3,112	23,509	447,957	3,022,974
Net loss	4,082,376	27,480,696	3,112,558	21,903,714	40,271	245,863	193,798	1,116,375	2,788	12,335	732,961	4,202,409
Farm rental income less loss	211,539	685,703	142,070	326,101	*3,208	*19,271	11,270	25,031	—	—	54,991	315,299
Partnership and S Corporation net income less loss	3,952,150	36,073,943	3,121,146	30,927,111	41,135	251,901	133,165	839,373	3,134	6,884	653,570	4,048,674
Estate or trust net income less loss	457,371	3,261,444	268,334	1,453,937	4,211	175,811	16,902	126,017	*53	* – 879	167,871	1,506,558
Farm net income less loss	811,397	– 2,259,841	713,734	– 1,666,842	6,917	– 40,315	15,665	– 89,860	*1,578	* – 9,412	73,503	– 453,412
Unemployment compensation in AGI	2,512,687	4,487,319	2,050,265	3,698,231	33,870	47,825	147,643	251,268	*1,818	*444	279,091	489,551
Social Security benefits in AGI	1,811,589	6,815,119	1,200,611	4,806,101	13,513	40,019	34,534	100,103	*3,209	*6,475	559,722	1,862,421
Foreign earned income exclusion	43,708	1,900,809	33,559	1,574,555	2,395	77,790	†	†	†	†	7,058	222,708
Other income less loss	3,691,325	7,593,255	2,887,457	6,176,306	40,285	32,172	201,225	427,456	3,317	4,744	559,041	952,577
Total statutory adjustments	6,901,910	21,534,142	5,137,525	16,558,518	74,620	254,524	378,638	1,031,553	5,875	12,112	1,305,252	3,677,435
Employee business expenses	1,060,971	3,196,769	832,783	2,508,973	8,568	16,757	48,269	114,732	—	—	171,351	556,308
Primary IRA payments	3,828,594	5,866,719	2,708,745	4,150,399	50,817	91,708	244,634	371,345	*5,872	*11,744	818,526	1,241,522
Secondary IRA payments	1,854,630	2,371,349	1,854,630	2,371,349	—	—	—	—	—	—	—	—
Payments to a Keogh plan	649,777	5,734,928	539,816	4,879,857	†	†	22,613	155,887	†	†	86,184	668,114
Alimony paid	414,478	3,171,313	221,648	1,664,875	9,547	90,408	39,046	345,432	—	—	144,237	1,070,597
Total itemized deductions	35,627,790	392,020,128	25,265,390	305,545,511	559,959	4,494,155	2,566,800	18,948,965	20,322	278,543	7,215,319	62,752,954
Medical and dental expense deduction	5,356,057	17,151,819	3,461,976	8,778,141	84,166	155,378	461,802	670,663	*12,279	*16,257	1,335,834	7,531,381
Taxes paid deduction	34,866,323	119,388,068	24,946,263	93,547,507	536,326	1,464,645	2,508,124	5,577,749	20,322	79,249	6,855,288	18,718,918
Interest paid deduction	33,125,737	179,942,422	24,206,366	145,535,253	475,485	2,019,145	2,453,092	9,536,636	18,426	143,917	5,972,368	22,707,472
Contributions deduction	32,229,545	49,623,907	23,389,803	39,295,082	438,846	516,743	2,278,858	2,034,987	16,689	22,858	6,105,349	7,754,237
Casualty or theft loss	219,905	1,386,421	141,728	1,060,232	*4,191	*17,643	19,287	45,192	*1,383	*7,522	53,316	255,831
Moving expense deduction	960,651	3,704,175	702,559	2,976,316	8,540	25,511	35,426	113,135	*98	*937	214,028	588,277
Total Miscellaneous deductions	9,187,957	20,823,316	6,133,456	14,352,982	135,968	295,089	703,101	970,603	6,064	7,805	2,209,368	5,196,838
Taxable income	34,201,583	1,234,720,070	24,439,623	986,284,980	534,397	13,509,578	2,449,336	50,088,269	16,683	443,918	6,761,544	184,393,325
Total tax credits	5,512,171	3,372,261	4,578,988	2,804,032	13,540	52,835	747,674	319,141	4,247	1,847	167,722	194,406
Child care credit	4,576,723	1,811,165	4,005,039	1,567,826	—	—	551,007	236,171	*3,693	*1,520	16,984	5,647
Credit for the elderly and disabled	22,257	4,172	*7,281	*1,695	—	—	—	—	—	—	*14,976	*2,477
Foreign tax credit	378,142	778,763	273,505	600,222	8,107	42,407	11,593	24,848	*515	*276	84,422	111,009
Earned income credit used to offset income tax before credits	303,097	43,809	87,669	7,615	—	—	215,428	36,194	—	—	—	—
Mortgage interest credit	*8,694	*3,295	*4,153	*2,005	—	—	—	—	—	—	*4,541	*1,290
General business credit	266,905	674,238	219,717	576,333	5,064	9,762	6,597	19,369	*40	*51	35,487	68,723
Income tax after credits	33,893,563	271,503,854	24,291,448	216,729,568	527,489	3,249,931	2,316,268	9,117,827	16,683	110,201	6,741,675	42,296,326
Alternative minimum tax	126,188	1,502,688	94,679	1,155,487	4,937	59,830	5,192	55,708	*11	*725	21,369	230,937
Total income tax	33,913,680	273,006,542	24,305,806	217,885,055	529,100	3,309,761	2,316,880	9,173,536	16,683	110,927	6,745,211	42,527,263
Total tax liability	34,405,024	283,365,949	24,672,563	226,558,198	540,996	3,414,735	2,352,846	9,493,481	16,684	114,309	6,821,935	43,785,225
Total taxpayments	34,561,509	293,108,537	24,795,985	231,333,470	521,815	3,368,163	2,481,647	11,996,827	18,502	122,019	6,743,560	46,288,057
Income tax withheld	32,156,714	218,981,180	23,461,544	175,004,330	497,323	2,192,209	2,383,436	10,221,669	14,798	60,339	5,799,613	31,502,633
Estimated tax payments	5,358,370	57,536,607	3,668,174	43,187,098	46,880	829,488	192,724	1,371,327	7,088	47,874	1,443,504	12,100,820
Overpayment refunded	24,288,132	39,021,022	16,985,685	28,636,393	343,715	329,997	2,153,189	3,361,649	12,338	19,646	4,793,205	6,673,337
Tax due at time of filing	9,783,573	37,199,508	7,398,047	29,782,571	188,678	514,150	348,610	997,413	2,862	17,564	1,845,376	5,887,809

* Estimate should be used with caution because of the small number of sample returns on which it is based
† Data deleted to avoid disclosure of information for specific taxpayers Deleted data are included in the appropriate totals
NOTE Detail may not add to total because of rounding

Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents: Total: Number of returns	Exemptions for dependents: Total: Number of exemptions	Exemptions for dependents: Total: Adjusted gross income less deficit	Exemptions for dependents: Total: Total income tax: Number of returns	Exemptions for dependents: Total: Total income tax: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	**106,996,270**	**217,495,163**	**145,621,525**	**38,516,212**	**71,873,638**	**1,349,953,779**	**30,363,318**	**168,833,213**
Under $5,000	17,816,271	15,854,337	12,026,353	2,302,195	3,827,984	−13,570,913	11,814	76,861
$5,000 under $10,000	15,697,441	23,655,880	17,455,032	3,594,566	6,200,848	27,301,096	251,333	66,018
$10,000 under $15,000	13,826,437	25,233,922	17,854,636	4,075,774	7,379,286	50,850,853	2,041,911	882,827
$15,000 under $20,000	11,409,683	23,057,940	15,669,249	3,954,977	7,388,691	69,117,461	3,681,522	3,380,666
$20,000 under $25,000	9,055,809	20,090,738	13,362,445	3,601,690	6,728,293	80,885,710	3,488,262	5,208,893
$25,000 under $30,000	7,494,827	18,322,346	11,868,620	3,394,284	6,453,726	93,291,620	3,360,956	7,102,843
$30,000 under $35,000	6,349,337	16,698,203	10,586,878	3,156,317	6,111,325	102,322,710	3,130,353	8,450,959
$35,000 under $40,000	5,255,307	14,688,767	9,247,917	2,863,861	5,440,850	107,325,476	2,853,563	9,645,685
$40,000 under $45,000	4,471,987	12,972,798	8,147,709	2,508,853	4,825,089	106,386,893	2,499,752	10,254,950
$45,000 under $50,000	3,390,914	10,149,265	6,291,242	1,974,367	3,858,023	93,585,610	1,967,890	9,838,296
$50,000 under $55,000	2,658,467	7,992,428	4,984,960	1,566,400	3,007,468	82,070,944	1,563,904	9,482,367
$55,000 under $60,000	1,922,436	5,799,888	3,649,887	1,145,452	2,150,001	65,722,509	1,141,521	8,204,682
$60,000 under $75,000	3,529,544	10,563,235	6,714,041	2,034,137	3,849,194	135,337,868	2,030,527	18,818,345
$75,000 under $100,000	2,064,189	6,246,056	3,919,902	1,207,205	2,326,154	102,417,762	1,205,682	16,982,063
$100,000 under $200,000	1,513,654	4,551,594	2,839,388	845,712	1,712,206	112,143,932	844,380	23,118,980
$200,000 under $500,000	429,671	1,294,383	799,056	234,234	495,327	67,518,658	233,881	17,801,338
$500,000 under $1,000,000	75,352	222,542	139,984	38,965	82,558	26,364,812	38,901	7,692,037
$1,000,000 or more	34,944	100,841	64,226	17,223	36,615	40,880,777	17,166	11,825,402
Total taxable returns	86,723,796	177,740,619	121,425,503	30,363,318	56,315,116	1,301,253,099	30,363,318	168,833,213
Total nontaxable returns	20,272,474	39,754,544	24,196,022	8,152,894	15,558,522	48,700,680	—	—

Size of adjusted gross income	Exemptions for dependents—Continued: Exemptions for children at home: Number of returns	Exemptions for children at home: Number of exemptions	Exemptions for children at home: Adjusted gross income less deficit	Exemptions for children at home: Total income tax: Number of returns	Exemptions for children at home: Total income tax: Amount	Exemptions for children away from home: Number of returns	Exemptions for children away from home: Number of exemptions	Exemptions for children away from home: Adjusted gross income less deficit	Exemptions for children away from home: Total income tax: Number of returns	Exemptions for children away from home: Total income tax: Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Total	**35,984,784**	**65,868,325**	**1,272,981,821**	**28,227,997**	**158,254,198**	**1,088,899**	**1,592,326**	**43,755,364**	**1,010,498**	**6,411,774**
Under $5,000	2,178,131	3,623,457	−12,885,025	9,716	69,336	18,377	22,306	−410,171	123	4,911
$5,000 under $10,000	3,246,666	5,440,324	24,577,883	120,382	41,245	71,095	106,645	566,112	29,203	8,325
$10,000 under $15,000	3,731,722	6,521,145	46,597,394	1,735,118	713,670	88,200	135,478	1,114,344	76,379	48,908
$15,000 under $20,000	3,564,781	6,557,039	62,316,950	3,306,653	2,932,304	117,652	180,127	2,032,910	115,056	142,860
$20,000 under $25,000	3,347,476	6,138,740	75,194,400	3,235,671	4,723,536	110,807	175,525	2,510,384	108,749	207,100
$25,000 under $30,000	3,168,013	5,904,958	87,044,615	3,136,068	6,485,104	123,625	187,493	3,383,740	122,242	323,389
$30,000 under $35,000	2,968,887	5,637,349	96,280,462	2,943,787	7,819,052	104,335	141,128	3,380,508	104,335	340,001
$35,000 under $40,000	2,727,398	5,099,596	102,226,350	2,717,619	9,070,136	78,966	113,960	2,968,271	78,915	321,721
$40,000 under $45,000	2,408,489	4,552,902	102,130,046	2,399,388	9,732,736	73,259	96,214	3,100,650	73,019	366,078
$45,000 under $50,000	1,885,106	3,615,964	89,333,397	1,878,629	9,266,902	61,146	91,837	2,887,816	61,146	367,043
$50,000 under $55,000	1,495,688	2,826,888	78,360,493	1,493,290	8,961,608	48,835	62,114	2,559,379	48,835	341,367
$55,000 under $60,000	1,096,361	2,010,978	62,906,065	1,092,430	7,795,061	38,295	60,605	2,197,410	38,295	300,795
$60,000 under $75,000	1,954,968	3,640,328	129,973,097	1,951,442	17,968,263	69,243	94,527	4,656,149	69,159	690,531
$75,000 under $100,000	1,136,100	2,142,232	96,359,936	1,134,577	15,896,393	46,420	66,703	3,921,429	46,420	681,609
$100,000 under $200,000	801,527	1,587,910	106,075,002	800,199	21,772,208	28,552	42,038	3,957,544	28,549	883,672
$200,000 under $500,000	220,836	459,254	63,661,159	220,507	16,756,822	8,155	12,472	2,343,560	8,141	636,334
$500,000 under $1,000,000	36,588	75,744	24,765,165	36,527	7,233,008	1,268	2,062	860,804	1,265	260,240
$1,000,000 or more	16,047	33,517	38,064,432	15,994	11,016,814	669	1,092	1,724,524	667	486,890
Total taxable returns	28,227,997	51,512,546	1,226,177,668	28,227,997	158,254,198	1,010,498	1,451,136	43,474,950	1,010,498	6,411,774
Total nontaxable returns	7,756,787	14,355,779	46,804,153	—	—	78,401	141,190	280,414	—	—

Size of adjusted gross income	Exemptions for dependents—Continued: Exemptions for parents: Number of returns	Exemptions for parents: Number of exemptions	Exemptions for parents: Adjusted gross income less deficit	Exemptions for parents: Total income tax: Number of returns	Exemptions for parents: Total income tax: Amount	Exemptions for other dependents: Number of returns	Exemptions for other dependents: Number of exemptions	Exemptions for other dependents: Adjusted gross income less deficit	Exemptions for other dependents: Total income tax: Number of returns	Exemptions for other dependents: Total income tax: Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Total	**1,338,104**	**1,545,154**	**43,336,873**	**1,068,171**	**5,344,463**	**1,933,217**	**2,867,833**	**55,295,995**	**1,465,614**	**6,350,979**
Under $5,000	56,889	60,743	−418,757	1,854	1,466	100,907	121,478	−334,203	190	4,285
$5,000 under $10,000	183,390	223,403	1,424,755	49,108	10,313	286,819	430,476	2,247,321	56,376	8,745
$10,000 under $15,000	180,873	224,515	2,240,171	129,072	66,457	309,079	498,148	3,848,119	205,903	87,685
$15,000 under $20,000	168,011	202,801	2,887,151	150,270	150,420	305,957	448,724	5,330,565	277,766	260,517
$20,000 under $25,000	150,778	163,490	3,379,794	145,759	235,479	163,675	250,538	3,665,510	162,291	238,813
$25,000 under $30,000	112,660	133,410	3,112,089	111,710	233,769	167,684	227,865	4,606,187	165,155	354,066
$30,000 under $35,000	97,944	108,522	3,185,554	94,837	246,331	145,691	224,326	4,671,511	145,260	385,210
$35,000 under $40,000	70,985	77,940	2,656,318	70,947	260,827	98,373	149,35[illegible]	3,686,151	97,853	345,742
$40,000 under $45,000	67,501	72,072	2,863,340	67,071	277,819	67,428	103,9[illegible]	2,867,618	67,428	279,546
$45,000 under $50,000	47,700	53,365	2,266,174	47,699	231,185	69,059	96,857	3,266,136	69,057	344,949
$50,000 under $55,000	45,446	48,007	2,378,494	44,302	254,421	46,575	70,459	2,447,314	46,575	290,612
$55,000 under $60,000	26,052	29,661	1,494,715	26,052	183,288	35,727	48,757	2,053,489	35,727	267,539
$60,000 under $75,000	47,015	51,090	3,162,725	46,725	418,856	46,721	63,249	3,114,818	46,721	421,678
$75,000 under $100,000	43,713	51,185	3,647,837	43,629	560,687	45,156	66,034	3,884,851	45,021	654,988
$100,000 under $200,000	28,209	32,154	3,670,811	28,208	712,428	32,621	50,104	4,525,401	32,569	939,803
$200,000 under $500,000	8,485	9,971	2,477,481	8,479	652,701	9,332	13,630	2,672,007	9,314	702,408
$500,000 under $1,000,000	1,665	1,915	1,143,319	1,663	324,776	1,696	2,837	1,132,240	1,693	315,048
$1,000,000 or more	788	910	1,764,902	786	523,241	717	1,096	1,610,960	715	449,346
Total taxable returns	1,068,171	1,212,704	41,431,947	1,068,171	5,344,463	1,465,614	2,138,730	51,891,445	1,465,614	6,350,979
Total nontaxable returns	269,933	332,450	1,904,926	—	—	467,603	729,103	3,404,550	—	—

NOTE: Detail may not add to total because of rounding.

Table 2.4—All Returns: Exemptions by Type, and Number of Exemptions, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents: Total: Number of returns	Exemptions for dependents: Total: Number of exemptions	Exemptions for dependents: Total: Adjusted gross income less deficit	Exemptions for dependents: Total: Total income tax: Number of returns	Exemptions for dependents: Total: Total income tax: Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	106,996,270	217,495,163	145,621,525	38,516,212	71,873,638	1,349,953,779	30,363,318	168,833,213
Joint returns of husbands and wives	47,742,215	150,083,350	95,595,821	27,536,554	54,487,529	1,158,824,684	23,843,942	151,285,335
Separate returns of husbands and wives:								
Total	1,589,148	2,472,083	1,607,338	505,952	864,745	10,384,350	416,994	1,426,176
Spouse filing	1,545,072	2,324,303	1,519,184	480,975	805,119	9,934,360	398,976	1,386,047
Spouse not filing	44,076	147,780	88,154	24,977	59,626	449,991	18,018	40,130
Returns of heads of households	10,210,522	25,042,423	10,207,201	9,326,583	14,835,222	153,941,737	5,161,679	12,413,374
Returns of surviving spouses	55,687	139,208	55,687	55,687	83,521	1,238,382	32,556	146,622
Returns of single persons	47,398,698	39,758,099	38,155,478	1,091,436	1,602,621	25,564,626	908,147	3,561,706

Marital status	Exemptions for dependents—Continued: Exemptions for children at home: Number of returns	Exemptions for children at home: Number of exemptions	Exemptions for children at home: Adjusted gross income less deficit	Exemptions for children at home: Total income tax: Number of returns	Exemptions for children at home: Total income tax: Amount	Exemptions for children away from home: Number of returns	Exemptions for children away from home: Number of exemptions	Exemptions for children away from home: Adjusted gross income less deficit	Exemptions for children away from home: Total income tax: Number of returns	Exemptions for children away from home: Total income tax: Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns	35,984,784	65,868,325	1,272,981,821	28,227,997	158,254,198	1,088,899	1,592,326	43,755,364	1,010,498	6,411,774
Joint returns of husbands and wives	26,671,029	51,659,223	1,118,937,836	23,075,132	145,246,613	485,109	692,810	25,599,412	458,613	3,683,393
Separate returns of husbands and wives:										
Total	460,850	777,249	9,274,980	375,543	1,267,088	21,067	35,042	708,392	17,412	121,661
Spouse filing	437,733	723,632	8,876,136	359,385	1,231,642	21,067	35,042	708,392	17,412	121,661
Spouse not filing	23,117	53,617	398,845	16,158	35,446	—	—	—	—	—
Returns of heads of households	8,388,610	12,821,112	135,982,347	4,446,132	10,666,996	135,969	198,666	3,733,342	115,960	459,574
Returns of surviving spouses	55,687	76,624	1,238,382	32,556	146,622	—	—	—	—	—
Returns of single persons	408,608	534,117	7,548,275	298,634	926,878	446,754	665,808	13,714,217	418,513	2,147,146

Marital status	Exemptions for dependents—Continued: Exemptions for parents: Number of returns	Exemptions for parents: Number of exemptions	Exemptions for parents: Adjusted gross income less deficit	Exemptions for parents: Total income tax: Number of returns	Exemptions for parents: Total income tax: Amount	Exemptions for other dependents: Number of returns	Exemptions for other dependents: Number of exemptions	Exemptions for other dependents: Adjusted gross income less deficit	Exemptions for other dependents: Total income tax: Number of returns	Exemptions for other dependents: Total income tax: Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Number of returns	1,338,104	1,545,154	43,336,873	1,068,171	5,344,463	1,933,217	2,867,833	55,295,995	1,465,614	6,350,979
Joint returns of husbands and wives	659,761	771,275	30,452,333	569,959	4,116,433	920,510	1,364,221	37,799,481	791,301	4,893,281
Separate returns of husbands and wives										
Total	12,410	12,509	353,057	12,408	52,355	21,109	39,945	433,972	21,105	48,178
Spouse filing	12,410	12,509	353,057	12,408	52,355	19,249	33,936	382,826	19,245	43,494
Spouse not filing	—	—	—	—	—	*1,860	*6,009	*51,146	*1,860	*4,684
Returns of heads of households	570,331	638,341	10,963,308	413,370	1,017,863	811,676	1,177,103	13,532,859	505,614	995,448
Returns of surviving spouses	*38	*38	*24,297	*38	*7,299	*5,041	*6,859	*92,303	*106	*13,124
Returns of single persons	95,564	122,991	1,543,877	72,396	150,513	174,881	279,705	3,437,380	147,488	400,948

* Estimate should be used with caution because of the small number of sample returns on which it is based
NOTE Detail may not add to total because of rounding

Table 3.1—Returns With Income Subject to Tax: Adjusted Gross Income, Deductions, Exemptions, Taxable Income, and Tax Items, Type of Tax Computation by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Taxable income	Income subject to tax	Income tax before credits, regular computation		Tax generated		Income tax before credits	
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Returns with regular tax computation only										
Total	**85,918,432**	**2,309,632,979**	**1,504,454,879**	**1,501,956,885**	**85,916,142**	**275,843,282**	**85,918,432**	**275,843,601**	**85,918,432**	**276,340,064**
Under $5,000	5,577,141	16,664,910	4,404,424	4,175,815	5,575,319	470,123	5,577,141	470,170	5,577,141	470,345
$5,000 under $10,000	11,509,325	87,121,242	33,205,369	32,419,525	11,508,857	4,131,825	11,509,325	4,131,899	11,509,325	4,138,745
$10,000 under $15,000	12,880,977	160,674,992	78,204,376	77,407,986	12,880,977	10,567,761	12,880,977	10,567,789	12,880,977	10,591,144
$15,000 under $20,000	11,186,151	194,892,549	112,531,883	111,839,726	11,186,151	15,757,024	11,186,151	15,757,106	11,186,151	15,820,011
$20,000 under $25,000	8,966,669	201,114,024	126,012,842	125,680,672	8,966,669	18,466,239	8,966,669	18,466,235	8,966,669	18,476,704
$25,000 under $30,000	7,458,270	204,537,148	133,690,306	133,482,753	7,458,270	20,722,423	7,458,270	20,722,443	7,458,270	20,760,939
$30,000 under $40,000	11,345,720	393,327,243	263,987,998	263,831,629	11,345,720	42,045,546	11,345,720	42,045,573	11,345,720	42,078,378
$40,000 under $50,000	7,635,375	340,238,964	234,966,726	234,925,238	7,635,375	40,084,326	7,635,375	40,084,311	7,635,375	40,164,804
$50,000 under $75,000	7,063,782	417,468,269	295,274,657	295,308,816	7,063,782	58,537,896	7,063,782	58,537,918	7,063,782	58,685,457
$75,000 under $100,000	1,337,121	112,956,488	81,288,228	81,343,955	1,337,121	19,631,476	1,337,121	19,631,466	1,337,121	19,655,163
$100,000 under $200,000	756,830	98,922,527	73,733,051	73,876,582	756,830	21,297,208	756,830	21,297,239	756,830	21,343,882
$200,000 under $500,000	169,461	48,255,066	38,909,819	39,032,371	169,461	13,408,664	169,461	13,408,678	169,461	13,418,134
$500,000 under $1,000,000	23,212	15,412,522	13,057,967	13,151,083	23,212	4,841,948	23,212	4,841,950	23,212	4,850,627
$1,000,000 or more	8,398	18,047,035	15,187,233	15,480,735	8,398	5,880,822	8,398	5,880,823	8,398	5,885,732
Returns with 28% capital gains tax										
Total	**3,238,231**	**419,868,040**	**340,504,541**	**245,730,941**	**3,238,231**	**104,303,623**	**3,238,231**	**95,798,392**	**3,238,231**	**95,999,259**
Under $5,000	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	*5,534	*157,072	*137,104	*100,538	*5,534	*27,933	*5,534	*27,514	*5,534	*27,514
$30,000 under $40,000	215,657	7,712,781	6,425,492	5,516,784	215,657	1,364,758	215,657	1,341,565	215,657	1,341,565
$40,000 under $50,000	203,642	9,101,145	7,392,061	6,225,490	203,642	1,736,316	203,642	1,682,734	203,642	1,682,734
$50,000 under $75,000	1,018,970	64,910,044	51,933,827	44,762,014	1,018,970	11,914,992	1,018,970	11,580,510	1,018,970	11,629,938
$75,000 under $100,000	717,804	61,691,170	47,992,336	40,426,065	717,804	12,144,714	717,804	11,676,621	717,804	11,729,406
$100,000 under $200,000	742,333	100,061,303	79,243,834	59,999,263	742,333	23,549,705	742,333	21,939,796	742,333	21,968,335
$200,000 under $500,000	256,816	74,867,348	61,389,451	42,432,891	256,816	21,194,662	256,816	19,313,321	256,816	19,351,155
$500,000 under $1,000,000	51,270	34,928,171	29,527,779	18,747,050	51,270	10,879,569	51,270	9,769,004	51,270	9,784,772
$1,000,000 or more	26,205	66,439,006	56,462,658	27,520,846	26,205	21,490,974	26,205	18,467,325	26,205	18,483,840

Type of tax computation by size of adjusted gross income	Total credits		Income tax after credits		Alternative minimum tax		Total income tax				
									As a percent of		Average income tax (dollars)
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Income subject to tax	Adjusted gross income	
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Returns with regular tax computation only											
Total	**12,407,292**	**5,325,204**	**82,899,697**	**271,014,860**	**68,987**	**528,377**	**82,902,333**	**271,543,237**	**18.1**	**11.8**	**3,160**
Under $5,000	42,200	2,061	5,544,931	468,284	—	—	5,544,931	468,284	11.2	2.8	84
$5,000 under $10,000	1,445,313	270,067	10,183,258	3,868,678	*454	*401	10,183,712	3,869,080	11.9	4.4	336
$10,000 under $15,000	3,082,369	923,411	11,511,640	9,667,732	*4	*27	11,511,640	9,667,759	12.5	6.0	751
$15,000 under $20,000	1,267,481	500,165	11,048,046	15,319,846	*861	*1,214	11,048,476	15,321,060	13.7	7.9	1,370
$20,000 under $25,000	975,690	479,091	8,896,378	17,997,613	*2,607	*6,760	8,896,378	18,004,373	14.3	9.0	2,008
$25,000 under $30,000	979,444	417,265	7,430,998	20,343,674	*3,679	*12,551	7,430,999	20,356,225	15.3	10.0	2,729
$30,000 under $40,000	1,656,349	740,082	11,312,139	41,338,296	6,691	27,773	11,312,190	41,366,069	15.7	10.5	3,646
$40,000 under $50,000	1,286,926	585,583	7,621,478	39,579,221	3,124	16,828	7,621,630	39,596,049	16.9	11.6	5,186
$50,000 under $75,000	1,279,604	621,901	7,058,415	58,063,556	14,490	49,885	7,059,019	58,113,442	19.7	13.9	8,227
$75,000 under $100,000	235,934	178,968	1,336,250	19,476,195	12,273	67,509	1,336,401	19,543,704	24.0	17.3	14,616
$100,000 under $200,000	118,121	278,142	755,392	21,065,740	17,241	144,631	756,012	21,210,371	28.7	21.4	28,025
$200,000 under $500,000	29,382	162,284	169,195	13,255,850	6,487	130,626	169,360	13,386,476	34.3	27.7	78,994
$500,000 under $1,000,000	5,810	63,602	23,188	4,787,025	769	28,351	23,195	4,815,377	36.6	31.2	207,452
$1,000,000 or more	2,669	102,583	8,389	5,783,149	307	41,822	8,390	5,824,970	37.6	32.3	693,614
Returns with 28% capital gains tax											
Total	**468,759**	**970,035**	**3,237,734**	**95,029,224**	**39,360**	**642,151**	**3,238,123**	**95,671,375**	**38.9**	**22.8**	**29,544**
Under $5,000	—	—	—	—	—	—	—	—	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	—	—	*5,534	*27,514	—	—	*5,534	*27,514	*27.4	*17.5	*4,972
$30,000 under $40,000	6,939	1,612	215,657	1,339,953	—	—	215,657	1,339,953	24.3	17.4	6,213
$40,000 under $50,000	10,299	3,893	203,642	1,678,841	*240	*971	203,642	1,679,812	27.0	18.5	8,249
$50,000 under $75,000	114,431	75,510	1,018,919	11,554,428	*1,922	*11,226	1,018,970	11,565,654	25.8	17.8	11,350
$75,000 under $100,000	117,472	117,854	717,564	11,611,552	1,820	8,132	717,716	11,619,684	28.7	18.8	16,188
$100,000 under $200,000	138,221	235,344	742,170	21,732,991	15,417	137,100	742,330	21,870,091	36.5	21.9	29,461
$200,000 under $500,000	56,661	180,736	256,786	19,170,419	15,020	219,558	256,802	19,389,977	45.7	25.9	75,501
$500,000 under $1,000,000	15,266	87,904	51,263	9,696,867	3,102	97,388	51,269	9,794,256	52.2	28.0	191,033
$1,000,000 or more	9,470	267,181	26,199	18,216,659	1,839	167,776	26,203	18,384,435	66.8	27.7	701,562

* Estimate should be used with caution because of the small number of sample returns on which it is based
NOTE. Detail may not add to total because of rounding

Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income								
	Total			Under 5 percent			5 under 7 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
Total	**86,723,796**	**2,700,778,243**	**369,202,757**	**17,276,174**	**188,915,350**	**5,497,312**	**10,491,174**	**188,616,412**	**11,535,320**
Under $5,000	5,966,969	14,196,025	799,621	4,638,844	13,723,144	278,703	604,845	1,919,565	107,113
$5,000 under $10,000	10,236,957	76,639,907	3,986,029	5,057,910	34,653,770	985,807	3,029,444	24,200,117	1,473,751
$10,000 under $15,000	11,532,654	144,772,419	9,736,169	3,471,357	43,765,436	1,094,599	1,345,555	16,883,683	1,020,498
$15,000 under $20,000	11,053,892	192,621,135	15,337,745	2,128,508	36,365,866	1,140,057	1,981,078	34,742,268	2,089,773
$20,000 under $25,000	8,900,581	199,623,902	18,014,147	914,158	20,229,432	648,016	1,188,460	26,506,708	1,625,578
$25,000 under $30,000	7,440,040	204,048,673	20,395,356	449,340	12,193,575	410,934	828,070	22,586,695	1,389,916
$30,000 under $40,000	11,546,242	400,536,352	42,809,755	363,584	12,295,195	432,271	935,599	32,039,225	1,976,073
$40,000 under $50,000	7,839,002	349,348,086	41,345,871	145,274	6,398,344	228,585	381,957	16,971,629	1,062,167
$50,000 under $75,000	8,096,798	483,204,608	69,872,423	72,088	4,310,396	143,479	173,787	9,908,321	617,361
$75,000 under $100,000	2,061,641	175,234,447	31,277,163	20,356	1,719,868	53,765	11,689	977,527	59,180
$100,000 under $200,000	1,509,910	200,486,828	43,415,426	12,214	1,658,272	44,084	9,469	1,255,204	76,041
$200,000 or more	539,110	260,065,861	72,213,051	2,541	1,602,054	37,011	1,221	625,470	37,869
Joint returns									
Total	**41,410,472**	**1,883,276,332**	**264,625,833**	**6,115,523**	**113,748,570**	**3,413,239**	**4,983,648**	**130,003,565**	**7,964,068**
Under $5,000	13,662	−2,537,077	131,732	**	**	**	—	—	—
$5,000 under $10,000	416,364	3,693,207	102,791	**405,808	**3,617,160	**51,032	*1,818	*14,050	*867
$10,000 under $15,000	2,821,106	36,103,106	1,107,129	2,383,112	30,072,828	736,585	422,429	5,822,215	342,873
$15,000 under $20,000	4,033,690	70,658,836	3,776,843	1,636,929	27,976,185	889,314	1,468,135	25,863,787	1,549,550
$20,000 under $25,000	4,206,791	94,754,579	6,649,505	739,422	16,411,192	529,268	980,981	21,881,063	1,337,321
$25,000 under $30,000	4,333,744	119,051,070	9,679,964	397,335	10,794,196	370,672	714,852	19,479,109	1,198,920
$30,000 under $40,000	8,193,252	286,105,885	26,178,412	**456,465	**11,716,041	**589,109	849,910	29,140,870	1,799,623
$40,000 under $50,000	6,543,733	292,044,410	31,712,334	**	**	**	360,799	16,033,825	1,005,143
$50,000 under $75,000	7,215,386	431,124,165	59,765,016	65,119	3,878,235	130,126	166,153	9,468,182	589,952
$75,000 under $100,000	1,850,173	157,253,222	27,294,913	**29,173	**2,959,397	**84,761	10,181	852,665	52,700
$100,000 under $200,000	1,320,571	175,171,118	37,253,085	**	**	**	7,502	978,231	58,613
$200,000 or more	462,000	219,853,812	60,974,108	2,160	1,323,336	32,373	888	469,570	28,506
Nonjoint returns									
Total	**45,313,324**	**817,501,911**	**104,576,924**	**11,160,651**	**75,166,780**	**2,084,073**	**5,507,526**	**58,612,847**	**3,571,252**
Under $5,000	5,953,307	16,733,102	667,889	**	**	**	604,845	1,919,565	107,113
$5,000 under $10,000	9,820,593	72,946,700	3,883,238	**9,290,946	**44,759,754	**1,213,478	3,027,626	24,186,067	1,472,884
$10,000 under $15,000	8,711,548	108,669,312	8,629,039	1,088,245	13,692,608	358,015	923,126	11,061,468	677,625
$15,000 under $20,000	7,020,202	121,962,299	11,560,903	491,579	8,389,681	250,743	512,943	8,878,481	540,223
$20,000 under $25,000	4,693,790	104,869,323	11,364,642	174,736	3,818,239	118,749	207,479	4,625,646	288,258
$25,000 under $30,000	3,106,296	84,997,602	10,715,392	52,005	1,399,378	40,261	113,218	3,107,586	190,995
$30,000 under $40,000	3,352,990	114,430,467	16,631,343	**52,393	**1,977,499	**71,748	85,689	2,898,356	176,450
$40,000 under $50,000	1,295,269	57,303,677	9,633,537	**	**	**	21,158	937,804	57,025
$50,000 under $75,000	881,412	52,080,443	10,107,407	6,969	432,161	13,353	7,634	440,139	27,409
$75,000 under $100,000	211,468	17,981,225	3,982,250	**3,397	**418,743	**13,087	*1,508	*124,861	*6,480
$100,000 under $200,000	189,339	25,315,710	6,162,341	**	**	**	1,967	276,973	17,428
$200,000 or more	77,110	40,212,049	11,238,943	381	278,718	4,638	333	155,899	9,363

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	7 under 10 percent			10 under 12 percent			12 under 15 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns									
Total	**24,600,903**	**592,443,934**	**51,187,395**	**14,130,875**	**415,486,025**	**45,318,254**	**9,391,112**	**401,660,898**	**54,133,773**
Under $5,000	338,566	732,561	60,925	140,878	427,353	46,849	64,074	125,028	16,305
$5,000 under $10,000	1,929,160	16,117,713	1,257,520	108,155	927,993	96,899	71,780	483,045	61,301
$10,000 under $15,000	6,116,454	76,152,788	6,720,697	550,564	7,363,144	774,868	30,915	382,417	51,202
$15,000 under $20,000	2,598,583	45,788,128	3,871,420	4,173,158	72,659,978	7,789,181	149,444	2,645,891	339,414
$20,000 under $25,000	3,431,666	77,500,562	6,613,525	1,831,601	39,617,013	4,419,861	1,466,962	34,203,295	4,448,878
$25,000 under $30,000	2,804,457	77,173,880	6,638,935	1,394,681	38,359,583	4,069,730	1,221,717	32,723,730	4,547,060
$30,000 under $40,000	4,333,588	150,082,858	13,069,598	3,049,244	106,247,232	11,504,883	1,113,439	39,650,759	5,251,945
$40,000 under $50,000	2,181,288	95,738,463	8,313,642	1,664,523	74,355,462	8,215,727	2,321,104	104,295,298	13,983,950
$50,000 under $75,000	786,141	44,695,451	3,903,893	1,103,664	63,895,496	7,106,866	2,600,968	152,542,079	20,688,774
$75,000 under $100,000	63,763	5,352,489	463,814	88,118	7,218,139	799,654	267,535	22,268,179	3,059,026
$100,000 under $200,000	14,939	1,932,108	171,090	23,331	2,895,265	324,894	76,482	9,206,478	1,257,862
$200,000 or more	2,298	1,176,933	102,335	2,958	1,519,367	168,844	6,692	3,134,699	428,055
Joint returns									
Total	**12,619,323**	**417,966,671**	**36,001,360**	**6,351,972**	**262,347,106**	**28,645,969**	**5,333,897**	**289,018,193**	**30,950,166**
Under $5,000	—	—	—	—	—	—	**	**	**
$5,000 under $10,000	—	—	—	*1,822	*11,347	*1,219	**3,636	**24,267	**3,345
$10,000 under $15,000	*9,093	*121,786	*9,679	*1,822	*25,845	*2,826	*3,640	*48,392	*6,742
$15,000 under $20,000	916,849	16,601,212	1,296,389	*5,455	*98,573	*11,019	—	—	—
$20,000 under $25,000	2,465,865	55,983,861	4,729,653	18,696	437,543	48,061	*1,824	*40,854	*5,154
$25,000 under $30,000	2,313,743	63,792,342	5,464,011	890,986	24,520,705	2,553,993	13,260	370,587	47,541
$30,000 under $40,000	3,965,434	137,817,582	12,005,836	2,658,720	93,149,619	10,052,810	373,220	14,253,919	1,815,007
$40,000 under $50,000	2,112,637	92,746,195	8,051,308	1,586,803	70,927,393	7,836,370	2,083,674	93,850,340	12,558,902
$50,000 under $75,000	759,947	43,221,126	3,776,844	1,080,513	62,555,715	6,957,664	2,520,207	147,871,672	20,046,106
$75,000 under $100,000	60,886	5,121,568	443,087	83,221	6,835,007	757,011	257,911	21,474,167	2,950,525
$100,000 under $200,000	13,408	1,708,079	151,962	21,727	2,698,835	303,943	70,770	8,521,513	1,166,261
$200,000 or more	1,461	852,921	72,591	2,207	1,086,524	121,052	5,755	2,562,481	350,585
Nonjoint returns									
Total	**11,981,580**	**174,477,263**	**15,186,035**	**7,778,903**	**153,138,920**	**16,672,285**	**4,057,215**	**112,642,705**	**15,183,606**
Under $5,000	338,566	732,561	60,925	140,878	427,353	46,849	**	**	**
$5,000 under $10,000	1,929,160	16,117,713	1,257,520	106,333	916,645	95,680	**132,218	**583,806	**74,261
$10,000 under $15,000	6,107,361	76,031,002	6,711,018	548,742	7,337,299	772,042	27,275	334,025	44,460
$15,000 under $20,000	1,681,734	29,186,916	2,575,032	4,167,703	72,561,405	7,778,161	149,444	2,645,891	339,414
$20,000 under $25,000	965,801	21,516,701	1,883,872	1,812,905	39,179,470	4,371,800	1,465,138	34,162,441	4,443,724
$25,000 under $30,000	490,714	13,381,538	1,174,925	503,695	13,838,878	1,515,737	1,208,457	32,353,143	4,499,520
$30,000 under $40,000	368,154	12,265,276	1,063,762	390,524	13,097,612	1,452,073	740,219	25,396,840	3,436,938
$40,000 under $50,000	68,651	2,992,268	262,333	77,720	3,428,070	379,357	237,430	10,444,958	1,425,048
$50,000 under $75,000	26,194	1,474,326	127,050	23,151	1,339,781	149,201	80,761	4,670,407	642,668
$75,000 under $100,000	*2,877	*230,920	*20,727	4,897	383,133	42,643	9,624	794,011	108,501
$100,000 under $200,000	1,531	224,029	19,128	1,604	196,430	20,951	5,712	684,965	91,602
$200,000 or more	837	324,012	29,744	751	432,844	47,792	937	572,217	77,470

Footnote(s) at end of table

Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
All returns									
Total	**4,085,551**	**210,253,923**	**33,560,480**	**5,791,678**	**456,179,177**	**93,130,638**	**675,405**	**148,100,640**	**40,301,312**
Under $5,000	25,459	46,970	7,632	94,984	258,249	55,206	29,099	98,847	27,014
$5,000 under $10,000	—	—	—	*9,092	*49,472	*11,349	*13,587	*94,057	*25,900
$10,000 under $15,000	*1,818	*22,029	*3,529	*2,249	*28,093	*5,991	*1,819	*18,510	*4,720
$15,000 under $20,000	*10,910	*207,806	*32,283	*4,847	*89,078	*17,719	*1,819	*28,755	*7,638
$20,000 under $25,000	60,423	1,401,714	220,301	*5,019	*114,031	*20,771	*1,819	*39,798	*10,783
$25,000 under $30,000	707,526	20,053,166	3,135,298	32,028	899,055	161,741	—	—	—
$30,000 under $40,000	785,903	25,941,895	4,198,678	957,983	34,039,558	6,297,944	*4,629	*160,181	*44,024
$40,000 under $50,000	426,832	19,679,406	3,100,602	708,896	31,488,941	6,317,807	*6,117	*279,308	*74,266
$50,000 under $75,000	1,585,745	95,574,533	15,268,149	1,709,395	108,034,795	20,910,408	54,212	3,585,914	943,810
$75,000 under $100,000	372,410	31,310,861	5,018,141	1,172,684	100,781,426	20,227,575	53,877	4,652,017	1,252,696
$100,000 under $200,000	100,710	12,425,960	2,000,010	956,085	123,784,184	26,535,233	281,927	42,193,594	11,299,660
$200,000 or more	7,815	3,589,583	575,858	138,416	56,612,294	12,568,896	226,500	96,949,659	26,610,801
Joint returns									
Total	**2,226,992**	**147,964,512**	**23,607,061**	**3,191,296**	**326,300,665**	**66,666,325**	**414,031**	**116,127,182**	**31,648,528**
Under $5,000	—	—	—	*1,819	*7,905	*1,624	—	—	—
$5,000 under $10,000	—	—	—	—	—	—	—	—	—
$10,000 under $15,000	—	—	—	—	—	—	—	—	—
$15,000 under $20,000	—	—	—	*4,417	*82,144	*16,381	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	*1,383	*35,687	*5,947	*433	*12,640	*3,103	—	—	—
$30,000 under $40,000	11,158	413,948	64,883	*3,006	*111,315	*21,549	*240	*8,896	*2,258
$40,000 under $50,000	254,730	12,076,709	1,875,199	14,373	653,148	122,710	*1,496	*64,804	*18,981
$50,000 under $75,000	1,494,079	90,211,462	14,402,934	1,117,645	73,189,173	13,560,326	*3,163	*202,852	*55,818
$75,000 under $100,000	361,618	30,366,444	4,867,383	1,048,557	90,240,869	17,921,820	2,590	231,491	59,880
$100,000 under $200,000	97,421	11,947,446	1,922,910	879,799	113,842,153	24,321,003	207,721	32,079,447	8,562,058
$200,000 or more	6,603	2,912,815	467,805	121,247	48,161,318	10,697,808	198,821	83,539,692	22,949,534
Nonjoint returns									
Total	**1,858,559**	**62,289,411**	**9,953,418**	**2,600,382**	**129,878,513**	**26,464,314**	**261,374**	**31,973,458**	**8,652,783**
Under $5,000	25,459	46,970	7,632	93,165	250,344	53,582	29,099	98,847	27,014
$5,000 under $10,000	—	—	—	*9,092	*49,472	*11,349	*13,587	*94,057	*25,900
$10,000 under $15,000	*1,818	*22,029	*3,529	*2,249	*28,093	*5,991	*1,819	*18,510	*4,720
$15,000 under $20,000	*10,910	*207,806	*32,283	*430	*6,934	*1,339	*1,819	*28,755	*7,638
$20,000 under $25,000	60,423	1,401,714	220,301	*5,019	*114,031	*20,771	*1,819	*39,798	*10,783
$25,000 under $30,000	706,143	20,017,479	3,129,351	31,595	886,415	158,638	—	—	—
$30,000 under $40,000	774,745	25,527,947	4,133,795	954,977	33,928,244	6,276,395	*4,389	*151,285	*41,765
$40,000 under $50,000	172,102	7,602,697	1,225,402	694,523	30,835,793	6,195,096	*4,621	*214,504	*55,285
$50,000 under $75,000	91,666	5,363,070	865,215	591,750	34,845,622	7,350,082	51,049	3,383,062	887,993
$75,000 under $100,000	10,792	944,417	150,759	124,127	10,540,557	2,305,755	51,287	4,420,527	1,192,816
$100,000 under $200,000	3,289	478,514	77,100	76,286	9,942,032	2,214,230	74,206	10,114,147	2,737,602
$200,000 or more	1,212	676,768	108,052	17,169	8,450,976	1,871,087	27,679	13,409,966	3,661,267

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	30 under 50 percent			50 under 100 percent			100 percent or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All returns									
Total	**245,811**	**101,252,339**	**33,661,163**	**15,867**	**1,004,710**	**610,730**	**19,246**	**−3,135,165**	**266,381**
Under $5,000	*12,735	*43,915	*13,566	*1,819	*8,644	*7,320	15,666	−3,188,251	178,988
$5,000 under $10,000	*14,549	*93,407	*31,377	*83	*646	*472	*3,197	*19,689	*41,654
$10,000 under $15,000	*10,910	*144,243	*51,621	*1,007	*11,993	*8,051	*6	*83	*393
$15,000 under $20,000	**1,820	**35,363	**12,390	*3,636	*56,353	*35,976	**92	**1,715	**1,944
$20,000 under $25,000	**	**	**	*470	*11,284	*6,385	**	**	**
$25,000 under $30,000	*554	*15,532	*6,743	*1,623	*42,248	*33,327	*44	*1,208	*1,672
$30,000 under $40,000	*1,223	*43,742	*13,769	*1,002	*33,866	*18,515	*48	*1,841	*2,055
$40,000 under $50,000	*2,905	*136,522	*45,560	*101	*4,486	*2,909	5	227	657
$50,000 under $75,000	7,812	482,942	184,111	*2,929	*171,648	*98,795	57	3,032	6,777
$75,000 under $100,000	10,243	871,913	295,185	949	80,511	45,431	17	1,517	2,696
$100,000 under $200,000	33,303	4,948,822	1,578,119	1,364	176,282	115,090	86	10,657	13,343
$200,000 or more	149,757	94,435,938	31,428,720	884	406,750	238,460	28	13,115	16,203
Joint returns									
Total	**150,842**	**81,495,440**	**27,028,851**	**11,177**	**815,304**	**493,756**	**11,771**	**−2,510,876**	**206,508**
Under $5,000	—	—	—	*1,819	*8,644	*7,320	8,205	−2,562,455	121,560
$5,000 under $10,000	*1,819	*14,878	*5,430	*83	*646	*472	*3,197	*19,689	*41,654
$10,000 under $15,000	—	—	—	*1,004	*11,957	*8,032	*6	*83	*393
$15,000 under $20,000	**5,168	**187,382	**62,984	—	—	—	**184	**4,875	**6,181
$20,000 under $25,000	**	**	**	—	—	—	**	**	**
$25,000 under $30,000	**	**	**	*1,623	*42,248	*33,327	**	**	**
$30,000 under $40,000	**	**	**	*1,002	*33,866	*18,515	**	**	**
$40,000 under $50,000	**	**	**	*3	*127	*68	**	**	**
$50,000 under $75,000	5,616	353,529	142,063	*2,890	*169,365	*96,945	*54	*2,855	*6,238
$75,000 under $100,000	5,071	432,755	157,159	709	60,582	32,433	**100	**11,807	**15,538
$100,000 under $200,000	11,021	1,886,643	604,449	1,358	175,240	114,504	**	**	**
$200,000 or more	122,147	78,620,253	26,056,766	686	312,629	182,142	25	12,270	14,945
Nonjoint returns									
Total	**94,969**	**19,756,899**	**6,632,312**	**4,690**	**189,406**	**116,974**	**7,475**	**−624,290**	**59,873**
Under $5,000	*12,735	*43,915	*13,566	—	—	—	7,461	−625,796	57,428
$5,000 under $10,000	*12,730	*78,529	*25,948	—	—	—	—	—	—
$10,000 under $15,000	*10,910	*144,243	*51,621	*3	*35	*19	—	—	—
$15,000 under $20,000	—	—	—	*3,636	*56,353	*35,976	**5	**116	**147
$20,000 under $25,000	—	—	—	*470	*11,284	*6,385	—	—	—
$25,000 under $30,000	**1,334	**43,777	**15,479	—	—	—	—	—	—
$30,000 under $40,000	**	**	**	—	—	—	—	—	—
$40,000 under $50,000	**	**	**	*98	*4,358	*2,841	**	**	**
$50,000 under $75,000	*2,196	*129,413	*42,048	*39	*2,284	*1,850	3	178	539
$75,000 under $100,000	5,172	439,159	138,026	*240	*19,930	*12,999	**3	**367	**500
$100,000 under $200,000	22,282	3,062,180	973,670	*6	*1,042	*586	**	**	**
$200,000 or more	27,610	15,815,684	5,371,954	198	94,121	56,318	3	844	1,258

* Estimate should be used with caution because of the small number of sample returns on which it is based
** Data combined to avoid disclosure of information for specific taxpayers
NOTE Detail may not add to total because of rounding

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Total tax liability		Total tax credits		Personal credits							
						Total		Child care credit		Credit for the elderly and disabled		Earned income credit used to offset income tax before credits	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	**106,996,270**	**88,551,492**	**384,538,143**	**12,901,020**	**6,329,438**	**11,888,059**	**4,169,617**	**8,519,523**	**3,438,314**	**354,308**	**66,633**	**3,708,044**	**641,867**
No adjusted gross income	841,509	176,779	371,649	260	347	*240	*6	—	—	—	—	—	—
$1 under $1,000	2,849,870	813,964	47,632	*1,721	*13	—	—	—	—	—	—	—	—
$1,000 under $2,000	3,687,486	1,123,950	102,909	*1,720	*41	—	—	—	—	—	—	—	—
$2,000 under $3,000	3,746,316	1,391,742	162,106	*1,721	*68	—	—	—	—	—	—	—	—
$3,000 under $4,000	3,353,241	1,475,659	259,131	*5,814	*310	*1,818	*236	—	—	—	—	*1,818	*236
$4,000 under $5,000	3,337,849	1,769,827	337,237	33,902	2,747	21,823	873	*1,818	*31	*1,818	*62	18,187	780
$5,000 under $6,000	3,306,589	2,162,487	556,623	51,250	3,416	49,100	3,230	*3,637	*429	29,094	971	*16,369	*1,829
$6,000 under $7,000	3,115,543	2,074,836	652,505	255,605	17,893	245,934	16,633	36,371	2,266	46,797	4,220	164,584	10,147
$7,000 under $8,000	3,204,919	2,195,299	913,208	321,166	48,687	313,648	47,045	76,847	9,805	46,762	6,955	197,311	30,285
$8,000 under $9,000	3,095,315	2,182,037	1,168,145	360,970	72,208	341,906	68,878	94,567	19,059	21,825	7,222	249,156	41,963
$9,000 under $10,000	2,975,075	2,116,115	1,362,850	459,004	128,103	446,375	123,249	154,572	45,669	27,712	6,140	313,190	71,441
$10,000 under $11,000	2,953,767	2,268,931	1,585,475	552,091	160,819	536,446	156,548	149,120	47,157	29,528	4,172	408,287	104,515
$11,000 under $12,000	2,809,395	2,298,455	1,892,249	557,330	184,655	544,543	181,689	190,952	70,354	31,344	4,619	433,188	106,408
$12,000 under $13,000	2,770,699	2,375,758	2,156,640	623,762	204,704	605,019	197,271	190,028	72,102	*16,751	*3,464	540,077	121,611
$13,000 under $14,000	2,733,013	2,506,569	2,474,180	671,588	200,540	653,607	192,889	208,228	84,953	26,756	8,467	549,549	96,397
$14,000 under $15,000	2,559,563	2,419,995	2,676,042	678,028	172,734	660,398	163,128	242,271	107,411	20,008	5,217	569,891	50,500
$15,000 under $16,000	2,499,483	2,422,209	2,949,045	404,492	106,393	395,137	101,972	189,621	91,259	*10,914	*4,213	246,437	5,755
$16,000 under $17,000	2,301,099	2,244,386	3,063,540	191,465	79,124	179,132	75,631	157,303	69,930	18,189	5,151	—	—
$17,000 under $18,000	2,292,106	2,241,012	3,268,859	239,063	105,848	219,055	96,075	199,563	90,764	*14,030	*3,344	—	—
$18,000 under $19,000	2,195,515	2,149,548	3,444,935	228,900	108,210	204,698	89,711	201,011	88,654	*3,687	*1,056	—	—
$19,000 under $20,000	2,121,480	2,092,105	3,596,274	203,561	100,590	184,069	88,334	175,890	87,204	*7,274	*1,060	—	—
$20,000 under $25,000	9,055,809	8,955,527	19,336,865	976,082	479,096	889,796	391,867	878,611	387,749	*1,819	*300	—	—
$25,000 under $30,000	7,494,827	7,459,766	21,569,607	979,913	418,472	911,911	349,820	909,623	348,836	—	—	—	—
$30,000 under $40,000	11,604,644	11,571,431	45,015,441	1,666,909	747,255	1,572,176	592,013	1,565,311	588,376	—	—	—	—
$40,000 under $50,000	7,862,901	7,848,694	43,193,046	1,300,549	593,863	1,210,337	469,483	1,207,775	468,893	—	—	—	—
$50,000 under $75,000	8,110,447	8,102,007	72,480,753	1,398,654	699,147	1,263,973	552,870	1,259,468	552,109	—	—	—	—
$75,000 under $100,000	2,064,189	2,062,105	32,385,572	355,076	298,558	275,933	129,360	271,634	127,651	—	—	—	—
$100,000 under $200,000	1,513,654	1,510,941	44,775,791	260,295	520,230	132,712	65,227	128,723	63,345	—	—	—	—
$200,000 under $500,000	429,671	429,212	33,371,671	86,597	351,811	24,142	13,205	23,068	12,253	—	—	—	—
$500,000 under $1,000,000	75,352	75,268	14,816,749	21,348	152,721	3,133	1,681	2,733	1,585	—	—	—	—
$1,000,000 or more	34,944	34,878	24,551,414	12,184	370,834	998	692	778	471	—	—	—	—
Taxable returns, total	**86,723,796**	**86,723,796**	**383,204,877**	**9,880,690**	**5,202,961**	**9,086,423**	**3,430,243**	**7,404,927**	**3,046,037**	**215,708**	**40,493**	**1,797,775**	**329,249**
No adjusted gross income	8,388	8,388	163,349	*248	*295	*240	*6	—	—	—	—	—	—
$1 under $1,000	744,168	744,168	23,813	*430	*3	—	—	—	—	—	—	—	—
$1,000 under $2,000	1,006,300	1,006,300	77,107	*1,720	*41	—	—	—	—	—	—	—	—
$2,000 under $3,000	1,226,315	1,226,315	113,036	*1,721	*68	—	—	—	—	—	—	—	—
$3,000 under $4,000	1,313,280	1,313,280	189,097	*1,720	*26	—	—	—	—	—	—	—	—
$4,000 under $5,000	1,668,518	1,668,518	295,109	*5,259	*589	—	—	—	—	—	—	—	—
$5,000 under $6,000	2,079,418	2,079,418	512,030	*3,538	*179	*1,818	*162	—	—	*1,818	*162	—	—
$6,000 under $7,000	2,008,103	2,008,103	618,060	19,755	1,218	*15,884	*1,096	—	—	*15,884	*1,096	—	—
$7,000 under $8,000	2,084,563	2,084,563	865,275	23,974	1,744	21,824	1,657	—	—	21,824	1,657	—	—
$8,000 under $9,000	2,051,853	2,051,853	1,089,857	24,741	6,166	*16,367	*4,564	*1,819	*151	*7,274	*2,271	*7,274	*2,142
$9,000 under $10,000	2,013,020	2,013,020	1,301,062	48,552	16,007	45,896	15,290	*1,818	*491	18,616	3,454	25,462	11,345
$10,000 under $11,000	2,185,955	2,185,955	1,520,039	125,660	43,719	119,968	42,221	*7,281	*1,416	24,070	2,945	90,013	37,325
$11,000 under $12,000	2,216,053	2,216,053	1,834,779	178,356	66,419	172,663	65,846	23,643	8,196	20,432	2,924	143,138	54,725
$12,000 under $13,000	2,313,483	2,313,483	2,099,713	315,304	101,138	310,856	100,076	46,366	15,391	*12,209	*2,188	292,288	82,497
$13,000 under $14,000	2,450,646	2,450,646	2,415,051	507,411	152,936	498,183	148,944	128,673	55,227	23,119	6,654	455,492	86,516
$14,000 under $15,000	2,366,517	2,366,517	2,620,457	586,731	132,353	575,428	127,796	174,970	75,597	*16,367	*3,238	539,490	48,960
$15,000 under $16,000	2,405,227	2,405,227	2,930,775	367,199	88,220	360,577	86,249	158,698	76,772	*9,096	*2,993	244,618	5,738
$16,000 under $17,000	2,225,727	2,225,727	3,041,728	162,838	62,070	153,668	60,224	133,661	54,860	18,189	5,151	—	—
$17,000 under $18,000	2,220,134	2,220,134	3,245,162	209,662	86,689	199,042	85,350	181,372	81,275	*14,030	*3,344	—	—
$18,000 under $19,000	2,135,245	2,135,245	3,429,335	205,620	87,778	192,849	83,058	189,162	82,002	*3,687	*1,056	—	—
$19,000 under $20,000	2,067,559	2,067,559	3,557,770	184,487	82,801	170,861	78,259	162,682	77,129	*7,274	*1,060	—	—
$20,000 under $25,000	8,900,581	8,900,581	19,230,959	905,791	386,975	856,385	367,444	847,010	364,785	*1,819	*300	—	—
$25,000 under $30,000	7,440,040	7,440,040	21,545,619	952,173	371,198	904,098	346,006	901,810	345,022	—	—	—	—
$30,000 under $40,000	11,546,242	11,546,242	44,960,547	1,633,379	646,979	1,562,600	585,377	1,555,736	583,305	—	—	—	—
$40,000 under $50,000	7,839,002	7,839,002	43,164,540	1,286,804	548,111	1,207,438	467,808	1,204,876	467,218	—	—	—	—
$50,000 under $75,000	8,096,798	8,096,798	72,463,790	1,393,891	683,475	1,262,926	552,662	1,258,421	551,901	—	—	—	—
$75,000 under $100,000	2,061,641	2,061,641	32,384,853	354,268	283,866	275,883	129,355	271,634	127,651	—	—	—	—
$100,000 under $200,000	1,509,910	1,509,910	44,773,215	259,474	495,041	132,709	65,224	128,720	63,342	—	—	—	—
$200,000 under $500,000	429,035	429,035	33,371,057	86,480	343,341	**27,262	**14,877	23,064	12,251	—	—	—	—
$500,000 under $1,000,000	75,228	75,228	14,816,581	21,330	149,268	**	**	2,733	1,585	—	—	—	—
$1,000,000 or more	34,847	34,847	24,551,110	12,174	364,249	998	692	778	471	—	—	—	—
Nontaxable returns, total	**20,272,474**	**1,827,696**	**1,333,267**	**3,020,330**	**1,126,476**	**2,801,636**	**739,374**	**1,114,596**	**392,278**	**138,600**	**26,140**	**1,910,269**	**312,618**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Personal credits—Continued: Mortgage interest credit: Number of returns	Personal credits—Continued: Mortgage interest credit: Amount	Foreign tax credit: Number of returns	Foreign tax credit: Amount	General business credits: Number of returns	General business credits: Amount	Other tax credits: Number of returns	Other tax credits: Amount	Income tax after credits: Number of returns	Income tax after credits: Amount	Total income tax: Number of returns	Total income tax: Amount
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
All returns, total	**9,599**	**3,515**	**559,555**	**1,099,484**	**514,112**	**1,018,624**	**32,053**	**41,713**	**86,694,480**	**367,527,687**	**86,723,796**	**369,202,757**
No adjusted gross income	—	—	*10	*1	*18	*340	—	—	258	619	8,388	156,578
$1 under $1,000	—	—	*1,721	*13	—	—	—	—	744,167	23,637	744,168	23,666
$1,000 under $2,000	—	—	*1,720	*41	—	—	—	—	1,006,300	74,474	1,006,300	74,474
$2,000 under $3,000	—	—	*1,721	*68	—	—	—	—	1,226,314	109,167	1,226,315	109,169
$3,000 under $4,000	—	—	*2,173	*68	*1,823	*5	—	—	1,313,278	183,087	1,313,280	183,219
$4,000 under $5,000	—	—	*3,893	*194	*8,186	*1,680	—	—	1,668,516	251,860	1,668,518	252,515
$5,000 under $6,000	—	—	*2,150	*187	—	—	—	—	2,078,947	441,943	2,079,418	450,153
$6,000 under $7,000	—	—	4,731	327	*4,940	*933	—	—	2,007,393	539,923	2,008,103	548,634
$7,000 under $8,000	—	—	*3,871	*920	*3,647	*722	—	—	2,084,478	787,390	2,084,563	787,944
$8,000 under $9,000	—	—	6,067	687	*12,997	*2,643	—	—	2,051,755	1,000,670	2,051,853	1,002,960
$9,000 under $10,000	—	—	4,400	854	*9,988	*3,999	—	—	2,012,468	1,191,283	2,013,020	1,196,337
$10,000 under $11,000	—	—	6,071	1,050	*10,434	*3,220	—	—	2,185,954	1,385,308	2,185,955	1,385,308
$11,000 under $12,000	—	—	5,161	799	*9,878	*2,167	—	—	2,216,053	1,709,370	2,216,053	1,709,397
$12,000 under $13,000	—	—	3,967	1,329	*15,206	*6,103	—	—	2,313,384	1,939,012	2,313,483	1,939,698
$13,000 under $14,000	—	—	4,731	640	14,110	7,012	—	—	2,450,645	2,267,614	2,450,646	2,267,792
$14,000 under $15,000	—	—	5,383	1,185	*14,499	*8,421	—	—	2,366,045	2,433,316	2,366,517	2,433,974
$15,000 under $16,000	—	—	5,719	1,469	*5,888	*2,952	—	—	2,405,226	2,777,629	2,405,227	2,777,712
$16,000 under $17,000	—	—	8,222	3,088	*4,111	*404	—	—	2,225,727	2,893,417	2,225,727	2,894,161
$17,000 under $18,000	*1,818	*669	6,603	1,489	13,405	8,285	—	—	2,220,132	3,061,298	2,220,134	3,061,399
$18,000 under $19,000	—	—	6,021	1,169	18,181	17,331	—	—	2,134,731	3,224,876	2,135,245	3,226,984
$19,000 under $20,000	—	—	4,957	2,395	14,965	9,861	—	—	2,067,555	3,377,395	2,067,559	3,377,490
$20,000 under $25,000	*1,818	*269	36,087	12,072	55,893	75,024	*469	*133	8,897,677	18,000,263	8,900,581	18,014,147
$25,000 under $30,000	*2,767	*906	27,302	14,443	46,131	53,943	*905	*265	7,439,389	20,377,233	7,440,040	20,395,356
$30,000 under $40,000	*3,193	*1,591	47,641	42,557	56,965	109,195	*863	*3,491	11,545,188	42,772,525	11,546,242	42,809,755
$40,000 under $50,000	—	—	51,633	40,277	40,325	81,227	*5,971	*2,876	7,835,564	41,314,979	7,839,002	41,345,871
$50,000 under $75,000	—	—	100,716	64,990	46,340	79,892	*2,574	*1,394	8,094,184	69,780,754	8,096,798	69,872,423
$75,000 under $100,000	—	—	57,613	84,077	26,215	82,958	3,545	2,163	2,059,809	31,182,567	2,061,641	31,277,163
$100,000 under $200,000	—	—	87,614	277,045	45,202	171,472	8,562	6,487	1,506,339	43,079,900	1,509,910	43,415,426
$200,000 under $500,000	**3	**80	42,797	226,577	22,609	101,820	5,800	10,209	427,453	32,548,800	429,035	32,978,242
$500,000 under $1,000,000	—	—	11,808	91,806	6,964	54,459	2,153	4,775	74,861	14,570,315	75,228	14,745,147
$1,000,000 or more	**	**	7,052	227,666	5,192	132,556	1,211	9,921	34,690	24,227,062	34,847	24,489,662
Taxable returns, total	†	†	**526,301**	**983,119**	**311,841**	**748,745**	**30,109**	**40,854**	**86,694,480**	**367,527,687**	**86,723,796**	**369,202,757**
No adjusted gross income	—	—	†	†	*7	*289	—	—	258	619	8,388	156,578
$1 under $1,000	—	—	†	†	—	—	—	—	744,167	23,637	744,168	23,666
$1,000 under $2,000	—	—	*1,720	*41	—	—	—	—	1,006,300	74,474	1,006,300	74,474
$2,000 under $3,000	—	—	*1,721	*68	—	—	—	—	1,226,314	109,167	1,226,315	109,169
$3,000 under $4,000	—	—	*1,720	*26	—	—	—	—	1,313,278	183,087	1,313,280	183,219
$4,000 under $5,000	—	—	*3,440	*129	*1,819	*460	—	—	1,668,516	251,860	1,668,518	252,515
$5,000 under $6,000	—	—	*1,720	*17	—	—	—	—	2,078,947	441,943	2,079,418	450,153
$6,000 under $7,000	—	—	*3,871	*122	—	—	—	—	2,007,393	539,923	2,008,103	548,634
$7,000 under $8,000	—	—	*2,150	*86	—	—	—	—	2,084,478	787,390	2,084,563	787,944
$8,000 under $9,000	—	—	4,730	140	*3,644	*1,461	—	—	2,051,755	1,000,670	2,051,853	1,002,960
$9,000 under $10,000	—	—	*3,087	*716	—	—	—	—	2,012,468	1,191,283	2,013,020	1,196,337
$10,000 under $11,000	—	—	4,730	549	*1,822	*949	—	—	2,185,954	1,385,308	2,185,955	1,385,308
$11,000 under $12,000	—	—	4,301	304	*1,822	*270	—	—	2,216,053	1,709,370	2,216,053	1,709,397
$12,000 under $13,000	—	—	*2,630	*507	*1,818	*554	—	—	2,313,384	1,939,012	2,313,483	1,939,698
$13,000 under $14,000	—	—	4,301	619	*4,927	*3,373	—	—	2,450,645	2,267,614	2,450,646	2,267,792
$14,000 under $15,000	—	—	4,523	1,007	*7,210	*3,551	—	—	2,366,045	2,433,316	2,366,517	2,433,974
$15,000 under $16,000	—	—	5,288	758	*1,764	*1,213	—	—	2,405,226	2,777,629	2,405,227	2,777,712
$16,000 under $17,000	—	—	6,881	1,553	*2,289	*293	—	—	2,225,727	2,893,417	2,225,727	2,894,161
$17,000 under $18,000	†	†	5,692	958	*4,928	*380	—	—	2,220,132	3,061,298	2,220,134	3,061,399
$18,000 under $19,000	—	—	6,021	1,169	*6,750	*3,550	—	—	2,134,731	3,224,876	2,135,245	3,226,984
$19,000 under $20,000	—	—	4,097	975	*9,959	*3,567	—	—	2,067,555	3,377,395	2,067,559	3,377,490
$20,000 under $25,000	†	†	33,736	7,646	17,262	11,885	—	—	8,897,677	18,000,263	8,900,581	18,014,147
$25,000 under $30,000	†	†	23,657	4,682	29,380	20,510	—	—	7,439,389	20,377,233	7,440,040	20,395,356
$30,000 under $40,000	†	†	40,859	16,519	35,742	41,593	*863	*3,491	11,545,188	42,772,525	11,546,242	42,809,755
$40,000 under $50,000	—	—	49,660	31,251	30,933	46,176	*5,971	*2,876	7,835,564	41,314,979	7,839,002	41,345,871
$50,000 under $75,000	—	—	99,769	57,101	44,088	72,675	*2,007	*1,037	8,094,184	69,780,754	8,096,798	69,872,423
$75,000 under $100,000	—	—	56,918	71,415	26,052	80,933	3,545	2,163	2,059,809	31,182,567	2,061,641	31,277,163
$100,000 under $200,000	—	—	87,108	257,018	44,887	166,313	8,562	6,487	1,506,339	43,079,900	1,509,910	43,415,426
$200,000 under $500,000	—	—	42,706	218,301	**29,546	**156,193	5,797	10,105	427,453	32,548,800	429,035	32,978,242
$500,000 under $1,000,000	—	—	11,792	88,358	**	**	2,153	4,775	74,861	14,570,315	75,228	14,745,147
$1,000,000 or more	†	†	7,042	221,080	5,192	132,556	1,211	9,921	34,690	24,227,062	34,847	24,489,662
Nontaxable returns, total	†	†	**33,254**	**116,365**	**202,271**	**269,878**	***1,944**	***860**	—	—	—	—

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alternative minimum tax		All other taxes									
	Number of returns	Amount	Total		Tax from recomputing prior-year investment credit		Penalty tax on individual retirement arrangements		Self-employment tax		Social security taxes on tip income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
All returns, total	**139,779**	**1,674,898**	**12,364,416**	**15,693,523**	**524,151**	**223,532**	**1,306,570**	**506,961**	**10,810,723**	**14,936,462**	**143,423**	**23,195**
No adjusted gross income	8,125	155,788	171,948	216,454	21,307	27,012	12,097	6,058	147,704	183,360	—	—
$1 under $1,000	**	**	91,134	27,163	*905	*398	—	—	91,134	26,765	—	—
$1,000 under $2,000	—	—	152,190	33,748	*84	*576	*1,825	*1,626	150,281	31,546	—	—
$2,000 under $3,000	**	**	219,009	61,666	*4,113	*1,224	*9,096	*1,202	207,625	59,176	*1,819	*64
$3,000 under $4,000	**6	**816	228,839	91,309	*905	*88	*5,455	*796	221,566	90,096	*1,818	*329
$4,000 under $5,000	**	**	268,607	113,546	*241	*2	*7,516	*1,379	250,181	111,694	*10,909	*471
$5,000 under $6,000	*471	*8,210	274,460	143,958	*6,601	*651	*7,274	*1,733	254,457	140,925	*7,273	*649
$6,000 under $7,000	*710	*8,711	277,883	160,943	*4,933	*361	*1,822	*208	276,069	160,374	—	—
$7,000 under $8,000	*85	*554	285,839	175,477	*7,290	*760	*7,275	*1,820	265,826	171,603	*9,094	*1,294
$8,000 under $9,000	*98	*2,290	310,734	215,113	*7,375	*48	*10,919	*1,274	288,573	212,757	*9,333	*1,035
$9,000 under $10,000	**553	**5,054	273,499	207,401	*5,039	*1,064	*9,521	*1,599	258,951	204,036	*7,277	*703
$10,000 under $11,000	**	**	293,801	223,388	*5,846	*378	*3,640	*597	281,983	221,473	*7,273	*940
$11,000 under $12,000	*4	*27	258,387	202,150	*5,027	*633	*12,747	*2,492	247,913	197,840	*5,454	*1,185
$12,000 under $13,000	**100	**863	263,368	224,588	*10,915	*996	*9,097	*1,425	241,121	220,860	*9,095	*1,308
$13,000 under $14,000	**	**	231,324	212,801	*4,975	*1,004	*10,906	*2,917	218,602	208,370	*3,641	*510
$14,000 under $15,000	**473	**741	272,346	245,118	*3,117	*34	22,287	3,782	251,885	241,235	*1,818	*67
$15,000 under $16,000	**	**	207,103	171,408	*1,820	*94	20,919	5,866	191,648	165,267	*1,818	*182
$16,000 under $17,000	**432	**845	184,693	169,380	*3,206	*59	*15,937	*2,281	167,379	165,906	*3,637	*1,133
$17,000 under $18,000	**	**	204,579	207,460	*1,047	*1,543	*10,914	*3,255	192,622	202,335	*1,818	*327
$18,000 under $19,000	*515	*2,108	223,900	217,950	*2,241	*70	16,836	5,944	203,907	211,058	*3,636	*878
$19,000 under $20,000	*4	*94	201,318	218,784	*2,805	*125	25,541	9,163	170,406	207,566	*5,455	*1,931
$20,000 under $25,000	*5,511	*13,884	1,134,159	1,322,718	29,215	3,443	96,760	24,469	1,014,895	1,289,961	19,122	4,844
$25,000 under $30,000	4,329	18,123	982,723	1,174,251	36,953	8,183	120,166	31,246	857,917	1,134,179	*4,577	*616
$30,000 under $40,000	8,163	37,229	1,726,128	2,205,687	50,193	7,032	259,296	83,684	1,475,291	2,113,042	14,210	1,929
$40,000 under $50,000	6,650	30,892	1,225,495	1,847,175	51,326	12,676	237,913	77,946	972,209	1,755,602	*7,385	*952
$50,000 under $75,000	19,886	91,669	1,377,130	2,608,330	85,897	18,440	269,004	121,714	1,080,900	2,467,276	*5,325	*901
$75,000 under $100,000	17,006	94,596	429,365	1,108,409	38,183	10,696	63,452	58,080	349,671	1,039,564	*1,097	*69
$100,000 under $200,000	36,685	335,526	425,831	1,360,365	71,115	43,344	32,032	38,518	357,736	1,278,484	*433	*18
$200,000 under $500,000	23,278	429,442	130,175	393,429	41,038	32,518	5,524	11,713	99,183	349,091	*72	*106
$500,000 under $1,000,000	4,364	174,832	24,835	71,602	12,419	16,513	529	2,978	15,646	51,252	*26	*734
$1,000,000 or more	2,331	262,600	13,614	61,752	8,020	33,567	270	1,196	7,442	23,770	*8	*22
Taxable returns, total	**139,779**	**1,674,898**	**10,048,066**	**14,002,120**	**466,422**	**188,610**	**1,243,401**	**488,890**	**8,601,127**	**13,302,085**	**117,721**	**19,196**
No adjusted gross income	8,125	155,788	2,765	6,771	673	407	92	447	2,151	5,898	—	—
$1 under $1,000	**	**	*1,822	*148	—	—	—	—	*1,822	*148	—	—
$1,000 under $2,000	—	—	19,503	2,633	—	—	—	—	19,503	2,633	—	—
$2,000 under $3,000	**	**	20,795	3,866	—	—	—	—	20,795	3,866	—	—
$3,000 under $4,000	**6	**816	23,668	5,878	—	—	—	—	23,668	5,878	—	—
$4,000 under $5,000	**	**	104,595	42,594	—	—	*1,818	*44	99,141	42,447	*3,636	*104
$5,000 under $6,000	*471	*8,210	141,000	61,877	**3,639	**400	*3,638	*846	128,270	60,264	*5,455	*367
$6,000 under $7,000	*710	*8,711	122,991	69,426	**	**	*1,822	*208	122,991	69,218	—	—
$7,000 under $8,000	*85	*554	127,818	77,331	*1,824	*279	*7,275	*1,820	115,085	74,529	*5,458	*703
$8,000 under $9,000	*98	*2,290	137,360	86,897	*5,557	*46	*3,638	*828	120,894	85,558	*9,093	*466
$9,000 under $10,000	**553	**5,054	139,352	104,724	*1,920	*165	*5,455	*1,049	130,260	103,245	*3,637	*266
$10,000 under $11,000	**	**	185,770	134,732	*5,846	*378	*3,640	*597	173,952	132,817	*7,273	*940
$11,000 under $12,000	*4	*27	160,122	125,383	*3,205	*469	*12,747	*2,492	151,466	121,428	*3,636	*994
$12,000 under $13,000	**100	**863	188,880	160,015	*10,010	*764	*7,278	*1,384	169,357	156,559	*9,095	*1,308
$13,000 under $14,000	**	**	175,401	147,259	*4,975	*1,004	*10,906	*2,917	162,679	142,975	*1,819	*362
$14,000 under $15,000	**473	**741	217,049	186,483	*3,117	*34	18,650	3,416	200,225	182,965	*1,818	*67
$15,000 under $16,000	**	**	190,121	153,063	*1,819	*85	19,097	4,277	176,489	148,520	*1,818	*182
$16,000 under $17,000	**432	**845	166,034	147,567	*3,206	*59	*15,937	*2,281	148,720	144,094	*3,637	*1,133
$17,000 under $18,000	**	**	183,701	183,763	*1,047	*1,543	*10,914	*3,255	171,744	178,638	*1,818	*327
$18,000 under $19,000	*515	*2,108	209,597	202,351	*2,241	*70	16,836	5,944	189,604	195,459	*3,636	*878
$19,000 under $20,000	*4	*94	176,772	180,280	*2,336	*19	25,541	9,163	147,678	170,189	*3,637	*909
$20,000 under $25,000	*5,511	*13,884	1,079,213	1,216,812	26,693	3,102	94,232	23,571	962,720	1,185,294	19,122	4,844
$25,000 under $30,000	4,329	18,123	962,997	1,150,263	34,576	7,781	118,779	31,233	841,486	1,110,633	*4,577	*616
$30,000 under $40,000	8,163	37,229	1,700,939	2,150,793	48,014	6,569	259,296	83,684	1,451,376	2,058,611	14,210	1,929
$40,000 under $50,000	6,650	30,892	1,215,803	1,818,669	50,807	11,849	235,968	76,752	964,193	1,729,116	*7,385	*952
$50,000 under $75,000	19,886	91,669	1,371,921	2,591,366	84,522	17,688	268,868	121,575	1,075,903	2,451,203	*5,325	*901
$75,000 under $100,000	17,006	94,596	428,901	1,107,690	38,097	10,695	63,154	57,677	349,591	1,039,248	*1,097	*69
$100,000 under $200,000	36,685	335,526	424,800	1,357,789	70,900	42,894	31,514	37,735	357,268	1,277,142	*433	*18
$200,000 under $500,000	23,278	429,442	129,998	392,815	40,982	32,421	5,511	11,648	99,053	348,640	*72	*106
$500,000 under $1,000,000	4,364	174,832	24,795	71,434	12,403	16,487	**795	**4,046	15,624	51,190	*26	*734
$1,000,000 or more	2,331	262,600	13,583	61,448	8,013	33,402	**	**	7,419	23,681	*8	*22
Nontaxable returns, total	—	—	**2,316,350**	**1,691,403**	**57,729**	**34,922**	**63,169**	**18,071**	**2,209,596**	**1,634,378**	**25,702**	**3,999**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Earned income credit used to offset other taxes		Number of returns without tax liability	Taxpayments							
				Total		Income tax withheld		Estimated tax payments		Payment with request for extension of filing time	
	Number of returns	Amount		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	**957,308**	**359,138**	**18,444,778**	**97,983,088**	**411,076,700**	**90,877,273**	**319,163,468**	**12,154,648**	**74,058,280**	**1,364,976**	**16,986,355**
No adjusted gross income	2,731	1,383	664,730	362,024	1,064,710	256,004	533,854	73,692	385,945	20,888	108,888
$1 under $1,000	22,243	3,197	2,035,906	1,678,098	154,780	1,614,425	107,000	44,746	43,192	*12,737	*2,385
$1,000 under $2,000	20,503	5,313	2,563,536	2,720,303	361,214	2,657,776	326,302	37,589	27,761	24,123	5,675
$2,000 under $3,000	36,900	8,729	2,354,574	2,913,769	608,816	2,811,379	530,858	72,934	63,589	30,936	9,867
$3,000 under $4,000	48,258	15,397	1,877,582	2,663,783	744,071	2,550,801	672,462	106,320	54,716	24,128	15,498
$4,000 under $5,000	73,621	28,893	1,568,022	2,652,314	920,326	2,533,265	842,761	122,725	66,506	14,552	8,827
$5,000 under $6,000	64,960	37,489	1,144,102	2,619,039	1,200,572	2,422,599	1,040,550	203,018	127,731	19,227	30,795
$6,000 under $7,000	106,757	57,072	1,040,707	2,547,280	1,456,465	2,338,255	1,271,321	212,846	163,281	17,331	17,351
$7,000 under $8,000	94,181	50,877	1,009,620	2,722,404	1,735,751	2,526,320	1,554,233	225,967	169,130	21,019	11,614
$8,000 under $9,000	103,925	49,928	913,278	2,677,170	2,026,649	2,402,993	1,799,812	307,267	216,296	*13,175	*6,492
$9,000 under $10,000	93,884	40,888	858,960	2,659,919	2,271,030	2,430,961	2,025,807	286,094	227,634	18,530	14,625
$10,000 under $11,000	84,631	23,490	684,836	2,658,065	2,528,400	2,358,438	2,207,609	349,079	293,077	18,647	24,040
$11,000 under $12,000	78,649	19,297	510,940	2,597,575	2,838,461	2,329,448	2,493,572	339,446	326,569	17,757	14,065
$12,000 under $13,000	48,123	7,646	394,941	2,617,850	3,184,655	2,330,610	2,739,392	368,118	408,123	14,893	33,111
$13,000 under $14,000	42,702	6,413	226,444	2,569,508	3,476,534	2,304,139	3,028,059	350,976	403,586	24,139	42,232
$14,000 under $15,000	33,418	3,051	139,568	2,435,970	3,624,374	2,215,510	3,199,118	326,179	404,594	13,828	17,928
$15,000 under $16,000	*1,822	*75	77,274	2,427,893	3,936,029	2,239,324	3,515,652	305,441	388,891	*11,835	*27,124
$16,000 under $17,000	—	—	56,713	2,230,549	3,994,652	2,022,683	3,517,136	301,030	469,109	*12,725	*7,533
$17,000 under $18,000	—	—	51,094	2,238,500	4,273,385	2,036,168	3,761,978	305,501	499,378	*10,004	*11,494
$18,000 under $19,000	—	—	45,967	2,161,518	4,497,418	1,958,477	3,918,537	315,003	564,353	*9,533	*7,253
$19,000 under $20,000	—	—	29,375	2,075,575	4,578,288	1,914,533	4,065,881	252,451	494,643	*6,372	*14,323
$20,000 under $25,000	—	—	100,282	8,914,797	24,091,038	8,325,663	21,477,958	1,128,437	2,458,820	83,904	139,075
$25,000 under $30,000	—	—	35,061	7,397,247	26,012,176	6,938,159	23,390,663	870,522	2,484,162	68,524	126,306
$30,000 under $40,000	—	—	33,213	11,503,022	53,582,542	10,872,443	48,178,149	1,401,886	5,123,966	118,262	256,889
$40,000 under $50,000	—	—	14,207	7,802,528	48,677,736	7,397,555	43,206,070	1,007,609	5,164,451	98,878	280,087
$50,000 under $75,000	—	—	8,440	8,056,129	74,331,705	7,562,195	63,556,116	1,330,388	9,553,610	222,244	1,021,037
$75,000 under $100,000	—	—	2,084	2,047,894	31,058,773	1,841,310	23,738,677	568,403	6,408,910	112,756	769,563
$100,000 under $200,000	—	—	2,713	1,495,986	40,032,029	1,252,412	24,891,097	640,903	12,655,262	176,677	2,281,159
$200,000 under $500,000	—	—	459	426,757	29,459,292	345,799	16,092,272	228,427	10,015,391	90,413	3,255,212
$500,000 under $1,000,000	—	—	84	74,890	12,930,368	59,862	5,910,374	46,518	4,893,659	23,066	2,097,656
$1,000,000 or more	—	—	66	34,732	21,424,458	27,767	5,570,200	25,133	9,501,948	13,873	6,328,250
Taxable returns, total	**—**	**—**	**—**	**82,466,152**	**403,444,924**	**76,417,848**	**313,181,837**	**11,149,550**	**72,660,280**	**1,241,476**	**16,819,782**
No adjusted gross income	—	—	—	6,420	210,815	5,213	78,255	1,688	62,342	1,733	68,941
$1 under $1,000	—	—	—	165,481	8,649	149,109	6,369	*9,097	*1,032	*7,275	*1,248
$1,000 under $2,000	—	—	—	511,330	59,716	467,690	43,072	25,457	12,790	20,003	3,779
$2,000 under $3,000	—	—	—	912,322	176,239	883,228	157,575	20,431	13,658	*16,367	*5,005
$3,000 under $4,000	—	—	—	1,110,111	289,365	1,088,291	273,202	23,638	7,056	*14,547	*9,107
$4,000 under $5,000	—	—	—	1,425,695	540,876	1,383,126	510,594	48,457	25,511	*7,704	*4,772
$5,000 under $6,000	—	—	—	1,800,289	878,685	1,711,622	806,215	100,096	62,996	*12,774	*8,965
$6,000 under $7,000	—	—	—	1,733,377	1,062,739	1,601,011	942,125	147,334	108,971	*14,125	*11,642
$7,000 under $8,000	—	—	—	1,857,742	1,322,240	1,709,689	1,195,558	166,345	118,137	*11,350	*7,978
$8,000 under $9,000	—	—	—	1,866,913	1,549,442	1,689,743	1,407,488	213,649	139,612	*7,709	*2,244
$9,000 under $10,000	—	—	—	1,869,857	1,781,242	1,697,962	1,587,028	217,036	183,397	*11,012	*8,628
$10,000 under $11,000	—	—	—	1,998,633	2,034,718	1,742,201	1,763,879	298,757	248,125	15,924	20,154
$11,000 under $12,000	—	—	—	2,064,686	2,409,844	1,830,131	2,105,699	301,460	291,777	*13,643	*10,875
$12,000 under $13,000	—	—	—	2,202,074	2,776,879	1,946,290	2,412,251	332,808	343,251	*10,104	*20,509
$13,000 under $14,000	—	—	—	2,336,263	3,262,600	2,100,799	2,845,441	330,047	379,147	19,575	36,995
$14,000 under $15,000	—	—	—	2,278,302	3,460,016	2,072,323	3,069,024	302,045	375,342	*10,717	*13,330
$15,000 under $16,000	—	—	—	2,352,042	3,840,506	2,167,713	3,426,036	300,296	383,376	*11,834	*27,108
$16,000 under $17,000	—	—	—	2,164,819	3,906,448	1,967,101	3,458,873	289,507	440,079	*10,903	*6,622
$17,000 under $18,000	—	—	—	2,175,107	4,211,023	1,983,405	3,718,801	293,854	480,314	*10,004	*11,494
$18,000 under $19,000	—	—	—	2,104,910	4,415,306	1,909,952	3,856,600	309,990	550,955	*8,611	*5,393
$19,000 under $20,000	—	—	—	2,032,113	4,502,120	1,881,559	4,024,635	238,628	460,142	*6,372	*14,323
$20,000 under $25,000	—	—	—	8,778,323	23,791,418	8,217,421	21,276,739	1,093,602	2,375,819	79,779	127,914
$25,000 under $30,000	—	—	—	7,357,172	25,905,991	6,909,876	23,324,042	859,288	2,446,552	68,524	126,306
$30,000 under $40,000	—	—	—	11,458,297	53,370,277	10,844,400	48,074,226	1,388,799	5,029,282	116,624	249,191
$40,000 under $50,000	—	—	—	7,782,992	48,593,645	7,380,285	43,142,190	1,002,503	5,144,859	98,638	279,607
$50,000 under $75,000	—	—	—	8,044,378	74,255,430	7,553,601	63,502,904	1,326,383	9,540,528	219,138	1,012,042
$75,000 under $100,000	—	—	—	2,047,144	31,051,771	1,840,702	23,734,814	568,216	6,406,741	112,650	768,661
$100,000 under $200,000	—	—	—	1,493,618	40,005,715	1,250,358	24,874,491	640,411	12,646,811	176,595	2,280,131
$200,000 under $500,000	—	—	—	426,289	29,441,374	345,517	16,087,418	228,171	10,004,433	90,332	3,253,198
$500,000 under $1,000,000	—	—	—	74,796	12,923,096	59,808	5,907,792	46,465	4,889,526	23,056	2,097,130
$1,000,000 or more	—	—	—	34,657	21,406,737	27,722	5,568,498	25,092	9,487,717	13,854	6,326,492
Nontaxable returns, total	**957,308**	**359,138**	**18,444,778**	**15,516,936**	**7,631,776**	**14,459,425**	**5,981,632**	**1,005,098**	**1,398,000**	**123,500**	**166,573**

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—Continued								Earned income credit, refundable portion	
	Excess social security taxes withheld		Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Overpayment of windfall profit tax		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)
All returns, total	**882,214**	**668,556**	**766,933**	**121,765**	**81,748**	**71,975**	**18,147**	**6,301**	**6,475,519**	**2,929,523**
No adjusted gross income	4,516	4,186	57,735	20,952	12,450	9,390	1,780	1,496	3,464	823
$1 under $1,000	*240	*295	*8,096	*908	*1,334	*1,001	—	—	184,097	17,623
$1,000 under $2,000	*3,402	*1,135	*3,118	*268	*1,818	*75	—	—	325,942	62,818
$2,000 under $3,000	*469	*253	*12,997	*1,323	*3,153	*2,910	*1,818	*16	425,579	133,298
$3,000 under $4,000	*1,819	*475	*11,211	*539	—	—	*1,384	*382	377,877	160,245
$4,000 under $5,000	**53	**131	*10,689	*2,091	*102	*17	—	—	518,240	276,163
$5,000 under $6,000	**	**	*17,935	*1,488	—	—	—	—	539,081	363,155
$6,000 under $7,000	—	—	*19,748	*2,173	*3,118	*2,339	—	—	622,284	447,471
$7,000 under $8,000	—	—	*11,417	*773	*430	*1	—	—	620,119	416,175
$8,000 under $9,000	—	—	23,688	4,048	—	—	—	—	580,938	337,080
$9,000 under $10,000	—	—	*12,172	*2,964	—	—	—	—	576,973	268,287
$10,000 under $11,000	*76	*42	26,925	3,364	*358	*269	—	—	593,722	221,336
$11,000 under $12,000	*455	*195	*11,567	*1,723	*3,117	*2,338	—	—	441,775	120,717
$12,000 under $13,000	—	—	20,911	1,492	*4,939	*2,536	—	—	349,973	67,252
$13,000 under $14,000	*3,117	*602	19,963	2,056	—	—	—	—	182,281	27,351
$14,000 under $15,000	—	—	22,306	2,281	*905	*453	—	—	108,152	9,064
$15,000 under $16,000	—	—	19,210	4,362	—	—	—	—	25,022	664
$16,000 under $17,000	*1,822	*2	*9,892	*872	—	—	—	—	—	—
$17,000 under $18,000	*51	*88	*9,353	*446	—	—	*1,822	*2	—	—
$18,000 under $19,000	*551	*345	30,588	4,585	*3,118	*2,339	*430	*7	—	—
$19,000 under $20,000	*506	*421	19,336	3,020	—	—	—	—	—	—
$20,000 under $25,000	*1,826	*1,048	74,963	13,737	*481	*128	*1,741	*273	—	—
$25,000 under $30,000	5,215	1,842	65,563	7,531	*5,915	*1,670	**51	**3	—	—
$30,000 under $40,000	15,512	7,366	109,937	14,174	*5,964	*1,998	**	**	—	—
$40,000 under $50,000	99,183	18,045	57,692	8,074	*4,057	*595	*3,333	*414	—	—
$50,000 under $75,000	363,848	171,876	49,710	7,888	15,929	20,636	*2,811	*543	—	—
$75,000 under $100,000	170,016	138,554	12,850	1,766	4,837	1,004	*441	*299	—	—
$100,000 under $200,000	151,779	196,520	12,043	4,018	5,977	3,877	*1,129	*96	—	—
$200,000 under $500,000	43,118	85,445	3,796	1,958	2,557	8,550	1,169	464	—	—
$500,000 under $1,000,000	9,486	23,734	858	313	741	4,022	102	610	—	—
$1,000,000 or more	5,154	15,957	664	577	448	5,830	136	1,695	—	—
Taxable returns, total	**867,704**	**658,350**	**514,482**	**73,605**	**47,916**	**46,745**	**11,704**	**4,325**	**—**	**—**
No adjusted gross income	634	961	320	291	*6	*14	*89	*11	—	—
$1 under $1,000	—	—	—	—	—	—	—	—	—	—
$1,000 under $2,000	—	—	—	—	*1,818	*75	—	—	—	—
$2,000 under $3,000	—	—	—	—	—	—	—	—	—	—
$3,000 under $4,000	—	—	—	—	—	—	—	—	—	—
$4,000 under $5,000	—	—	—	—	—	—	—	—	—	—
$5,000 under $6,000	—	—	*6,761	*509	—	—	—	—	—	—
$6,000 under $7,000	—	—	—	—	—	—	—	—	—	—
$7,000 under $8,000	—	—	*8,057	*568	*430	*1	—	—	—	—
$8,000 under $9,000	—	—	*3,641	*98	—	—	—	—	—	—
$9,000 under $10,000	—	—	*8,097	*2,188	—	—	—	—	—	—
$10,000 under $11,000	—	—	*18,833	*2,560	—	—	—	—	—	—
$11,000 under $12,000	*455	*195	*4,451	*1,299	—	—	—	—	—	—
$12,000 under $13,000	—	—	*12,080	*670	*1,822	*199	—	—	—	—
$13,000 under $14,000	*3,117	*602	*6,797	*416	—	—	—	—	—	—
$14,000 under $15,000	—	—	*17,008	*1,868	*905	*453	—	—	—	—
$15,000 under $16,000	—	—	*17,387	*3,986	—	—	—	—	—	—
$16,000 under $17,000	*1,822	*2	*9,892	*872	—	—	—	—	—	—
$17,000 under $18,000	*51	*88	*6,236	*324	—	—	*1,822	*2	—	—
$18,000 under $19,000	—	—	22,744	2,351	—	—	*430	*7	—	—
$19,000 under $20,000	—	—	19,336	3,020	—	—	—	—	—	—
$20,000 under $25,000	*1,536	*352	59,590	10,200	*431	*126	**408	**271	—	—
$25,000 under $30,000	*4,169	*1,350	58,074	6,364	*4,532	*1,374	**	**	—	—
$30,000 under $40,000	14,361	5,463	99,019	11,797	*3,724	*318	—	—	—	—
$40,000 under $50,000	98,688	17,968	56,787	8,032	*4,057	*595	*3,257	*394	—	—
$50,000 under $75,000	363,506	171,393	49,335	7,628	15,689	20,456	**5,464	**1,337	—	—
$75,000 under $100,000	169,911	138,495	12,766	1,758	4,837	1,004	**	**	—	—
$100,000 under $200,000	151,747	196,452	11,971	3,969	5,925	3,764	**	**	—	—
$200,000 under $500,000	43,089	85,392	3,786	1,955	**3,740	**18,368	**	**	—	—
$500,000 under $1,000,000	9,474	23,706	855	310	**	**	102	610	—	—
$1,000,000 or more	5,144	15,932	659	574	**	**	132	1,693	—	—
Nontaxable returns, total	**14,510**	**10,205**	**252,451**	**48,160**	**33,832**	**25,230**	**6,443**	**1,976**	**6,475,519**	**2,929,523**

Footnote(s) at end of table.

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Advance earned income credit payments		Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
			Total		Refunded		Credited to 1988 estimated tax					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
All returns, total	***7,278**	***1,618**	**79,804,878**	**79,108,896**	**77,608,482**	**69,627,753**	**4,448,257**	**9,481,144**	**23,776,240**	**49,921,337**	**2,340,709**	**279,904**
No adjusted gross income	—	—	321,482	859,364	292,884	739,119	42,387	120,245	108,824	167,008	15,223	1,528
$1 under $1,000	—	—	1,686,656	156,073	1,681,193	154,021	18,277	2,051	663,847	31,339	*1,818	*38
$1,000 under $2,000	—	—	2,678,515	402,506	2,669,287	395,977	22,427	6,529	701,487	81,448	*1,822	*66
$2,000 under $3,000	—	—	2,834,796	688,750	2,821,731	662,073	22,167	26,678	550,229	108,942	*9,091	*200
$3,000 under $4,000	—	—	2,509,518	770,170	2,480,823	749,933	40,081	20,237	517,223	126,211	25,951	1,226
$4,000 under $5,000	*1,819	*69	2,514,774	993,246	2,482,771	971,150	45,885	22,096	507,977	134,507	16,628	515
$5,000 under $6,000	—	—	2,397,128	1,181,680	2,372,533	1,162,635	53,690	19,046	609,014	176,349	43,914	1,773
$6,000 under $7,000	—	—	2,380,109	1,395,227	2,333,208	1,353,706	101,005	41,521	542,216	144,392	18,195	596
$7,000 under $8,000	*1,819	*664	2,492,486	1,428,725	2,463,292	1,399,350	83,251	29,374	551,640	191,128	25,580	1,121
$8,000 under $9,000	—	—	2,438,975	1,423,486	2,383,232	1,387,293	111,562	36,193	507,011	229,317	37,184	1,415
$9,000 under $10,000	—	—	2,403,175	1,405,156	2,368,513	1,371,023	99,487	34,133	459,173	231,012	45,457	2,323
$10,000 under $11,000	*1,819	*624	2,351,290	1,407,657	2,315,831	1,360,441	116,554	47,216	554,197	244,980	31,901	1,229
$11,000 under $12,000	—	—	2,232,736	1,327,138	2,181,131	1,278,577	119,375	48,561	539,362	261,981	37,320	1,772
$12,000 under $13,000	—	—	2,250,737	1,377,535	2,199,145	1,320,175	137,110	57,360	493,090	284,887	51,453	2,619
$13,000 under $14,000	—	—	2,242,200	1,311,244	2,176,248	1,238,622	171,784	72,622	477,173	283,985	52,334	2,447
$14,000 under $15,000	*1,818	*249	2,074,923	1,271,676	2,023,111	1,210,645	118,956	61,031	473,641	316,888	56,411	2,360
$15,000 under $16,000	—	—	2,050,724	1,262,231	2,001,026	1,208,193	111,539	54,038	433,081	277,099	42,323	2,516
$16,000 under $17,000	—	—	1,855,904	1,197,365	1,818,052	1,128,863	105,587	68,502	437,830	268,294	51,422	2,040
$17,000 under $18,000	—	—	1,912,148	1,273,312	1,867,264	1,204,376	110,777	68,937	372,285	271,687	49,074	2,901
$18,000 under $19,000	—	—	1,793,733	1,326,526	1,741,107	1,256,017	120,749	70,509	396,301	276,452	31,335	2,410
$19,000 under $20,000	—	—	1,720,994	1,267,800	1,682,269	1,192,010	96,920	75,790	392,754	287,956	41,956	2,170
$20,000 under $25,000	—	—	7,228,817	6,336,769	7,052,516	6,037,283	385,074	299,485	1,804,962	1,598,636	233,589	16,040
$25,000 under $30,000	—	—	5,870,801	6,087,214	5,738,612	5,790,404	290,713	296,810	1,605,691	1,659,060	171,329	14,415
$30,000 under $40,000	—	—	9,165,447	11,857,529	8,920,129	11,255,389	506,689	602,140	2,424,031	3,316,192	310,523	25,763
$40,000 under $50,000	—	—	5,725,982	8,932,234	5,489,152	8,340,381	395,226	591,853	2,126,980	3,473,072	235,916	25,527
$50,000 under $75,000	—	—	4,840,137	9,380,940	4,564,435	8,332,549	453,417	1,048,391	3,254,332	7,567,803	327,807	37,815
$75,000 under $100,000	—	—	984,010	3,197,238	875,481	2,491,981	197,777	705,257	1,074,906	4,544,805	132,242	20,767
$100,000 under $200,000	—	—	616,530	3,718,810	473,077	2,338,651	239,177	1,380,160	889,504	8,507,554	171,390	44,982
$200,000 under $500,000	**3	**12	178,966	2,565,553	115,181	1,268,963	95,196	1,296,590	248,819	6,512,555	56,715	34,623
$500,000 under $1,000,000	**	**	33,583	1,197,558	18,176	476,267	21,685	721,291	41,504	3,096,726	10,141	12,775
$1,000,000 or more	—	—	17,602	2,108,185	7,072	551,686	13,733	1,556,499	17,156	5,249,071	4,665	13,930
Taxable returns, total	***1,821**	***261**	**64,032,358**	**69,121,235**	**62,050,164**	**59,996,184**	**4,082,504**	**9,125,051**	**22,570,782**	**49,152,712**	**2,194,414**	**271,263**
No adjusted gross income	—	—	3,893	87,701	3,040	57,262	1,515	30,439	4,487	40,965	1,033	729
$1 under $1,000	—	—	132,746	6,360	132,746	5,945	*9,098	*415	609,604	21,562	*1,818	*38
$1,000 under $2,000	—	—	407,763	45,303	400,489	42,638	18,183	2,666	596,288	62,695	—	—
$2,000 under $3,000	—	—	798,275	137,708	796,457	135,801	*5,456	*1,907	424,403	74,607	*7,273	*102
$3,000 under $4,000	—	—	911,037	176,071	905,581	170,965	*10,910	*5,106	400,425	76,203	*14,549	*400
$4,000 under $5,000	—	—	1,224,434	352,641	1,209,587	346,468	25,761	6,173	436,809	107,263	*12,744	*390
$5,000 under $6,000	—	—	1,525,301	517,902	1,508,894	509,888	36,415	8,014	552,299	152,768	38,208	1,521
$6,000 under $7,000	—	—	1,508,876	572,586	1,480,207	552,117	71,418	20,469	497,408	128,341	*10,905	*434
$7,000 under $8,000	—	—	1,606,056	618,873	1,586,046	598,088	64,058	20,785	473,051	162,553	18,208	645
$8,000 under $9,000	—	—	1,615,082	643,907	1,585,880	625,204	67,728	18,704	431,316	185,635	33,540	1,313
$9,000 under $10,000	—	—	1,620,777	668,897	1,595,214	641,119	78,793	27,778	392,243	190,190	30,939	1,473
$10,000 under $11,000	—	—	1,671,762	721,566	1,641,770	683,411	103,089	38,155	508,738	207,715	22,744	828
$11,000 under $12,000	—	—	1,720,111	806,718	1,672,390	764,255	109,556	42,463	490,486	232,904	26,387	1,251
$12,000 under $13,000	—	—	1,846,954	927,910	1,801,973	879,807	122,318	48,104	461,072	252,979	39,191	2,235
$13,000 under $14,000	—	—	2,007,113	1,094,008	1,946,621	1,026,607	155,886	67,401	441,711	248,500	46,398	2,041
$14,000 under $15,000	*1,818	*249	1,919,098	1,119,591	1,875,500	1,071,399	105,839	48,192	443,777	282,150	47,300	1,868
$15,000 under $16,000	—	—	1,980,698	1,172,851	1,931,240	1,119,962	108,571	52,889	420,889	265,264	38,682	2,145
$16,000 under $17,000	—	—	1,798,367	1,119,002	1,763,383	1,057,858	102,719	61,144	427,360	255,912	46,848	1,629
$17,000 under $18,000	—	—	1,857,339	1,227,390	1,815,182	1,159,038	108,050	68,352	362,795	264,352	48,169	2,824
$18,000 under $19,000	—	—	1,741,475	1,256,072	1,688,849	1,188,527	117,558	67,545	391,951	272,509	30,866	2,408
$19,000 under $20,000	—	—	1,682,024	1,217,079	1,650,678	1,154,315	88,167	62,764	383,717	274,898	41,956	2,170
$20,000 under $25,000	—	—	7,118,799	6,088,812	6,946,829	5,803,353	373,398	285,459	1,771,732	1,543,445	223,109	15,092
$25,000 under $30,000	—	—	5,835,747	5,989,086	5,706,273	5,703,071	284,804	286,015	1,595,994	1,642,640	168,810	13,926
$30,000 under $40,000	—	—	9,132,369	11,663,622	8,890,601	11,077,622	502,232	586,000	2,406,958	3,279,561	309,094	25,669
$40,000 under $50,000	—	—	5,709,857	8,860,691	5,473,977	8,273,978	393,564	586,713	2,121,674	3,456,953	233,396	25,367
$50,000 under $75,000	—	—	4,829,099	9,314,947	4,554,110	8,273,608	451,002	1,041,339	3,252,438	7,561,027	327,381	37,721
$75,000 under $100,000	—	—	983,264	3,190,620	874,791	2,485,492	197,719	705,128	1,074,577	4,544,460	132,237	20,758
$100,000 under $200,000	—	—	614,489	3,694,062	471,902	2,319,331	238,283	1,374,731	889,174	8,506,527	171,145	44,965
$200,000 under $500,000	**3	**12	178,532	2,548,068	114,825	1,255,012	95,057	1,293,056	248,757	6,512,368	56,686	34,617
$500,000 under $1,000,000	**	**	33,494	1,190,432	18,110	471,609	21,656	718,823	41,497	3,096,704	10,138	12,774
$1,000,000 or more	—	—	17,527	2,090,758	7,019	542,435	13,701	1,548,323	17,152	5,249,060	4,660	13,930
Nontaxable returns, total	***5,457**	***1,357**	**15,772,520**	**9,987,662**	**15,558,318**	**9,631,568**	**365,753**	**356,093**	**1,205,458**	**768,625**	**146,295**	**8,641**

* Estimate should be used with caution because of the small number of sample returns on which it is based
** Data combined to avoid disclosure of information for specific taxpayers
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals
NOTE: Detail may not add to total because of rounding

Table 3.4—Returns With Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	All returns											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All marginal rates	**89,692,395**	**2,736,044,210**	**1,847,753,421**	**852,699,709**	**373,102,475**	**210,430,741**	**367,466,562**	**13.4**	**19.9**	**89,692,395**	**1,847,753,421**	**373,142,380**
11 percent	11,275,370	73,486,705	10,875,666	10,875,666	1,190,653	1,196,323	917,495	1 2	8 4	89,687,333	203,286,554	22,361,521
15 percent	51,891,296	1,050,234,451	602,547,415	477,057,595	85,337,811	71,558,639	82,350,139	7 8	13 7	77,958,663	1,032,425,068	154,863,760
28 percent	16,289,355	674,713,112	487,883,905	100,053,592	84,518,459	28,015,006	83,757,568	12 4	17 2	25,777,593	235,708,808	65,998,466
28 percent capital gains	755,117	80,181,701	63,321,582	41,032,935	15,306,664	26,536,615	15,169,538	18 9	24 0	3,238,231	94,773,600	26,536,615
35 percent	7,567,975	509,838,911	394,149,359	83,631,194	92,012,522	29,270,918	91,623,293	18 0	23 2	9,016,568	141,509,355	49,528,274
38 5 percent	1,448,591	345,975,800	287,616,194	138,952,350	94,349,736	53,496,655	93,286,735	27 0	32 4	1,448,593	138,953,657	53,497,158
Form 8615	464,691	1,613,530	1,359,300	1,096,377	386,629	356,585	361,794	22 4	26 6	464,691	1,096,377	356,585

Tax rate classes	Joint returns and returns of surviving spouses											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All marginal rates	**42,377,012**	**1,899,882,806**	**1,282,875,175**	**574,782,979**	**267,086,911**	**149,595,874**	**263,447,474**	**13.9**	**20.5**	**42,377,012**	**1,282,875,175**	**267,105,414**
11 percent	2,667,140	33,762,252	4,081,636	4,081,636	447,648	448,980	317,611	0 9	7 8	42,377,012	123,211,252	13,553,238
15 percent	23,663,572	658,962,629	366,270,150	295,279,434	52,089,606	44,291,915	50,518,190	7 7	13 8	39,709,872	696,436,934	104,465,540
28 percent	9,865,575	492,159,919	347,905,007	71,668,907	60,314,024	20,067,294	59,642,575	12 1	17 1	15,880,869	171,950,350	48,146,098
28 percent capital gains	468,482	58,416,572	45,870,799	29,579,992	11,083,294	19,866,741	10,968,704	18 8	23 9	2,265,629	70,952,620	19,866,741
35 percent	4,686,665	377,264,762	287,297,130	61,019,005	67,090,997	21,356,652	66,790,568	17 7	23 2	5,712,243	107,170,015	37,509,505
38 5 percent	1,025,578	279,316,671	231,450,452	113,154,004	76,061,342	43,564,292	75,209,827	26 9	32 5	1,025,578	113,154,004	43,564,292
Form 8615	—	—	—	—	—	—	—	—	—	—	—	—

Tax rate classes	Separate returns of husbands and wives											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All marginal rates	**1,329,375**	**30,066,888**	**20,753,457**	**9,954,023**	**4,526,070**	**2,771,205**	**4,450,963**	**14.8**	**21.4**	**1,329,375**	**20,753,457**	**4,526,679**
11 percent	114,970	586,743	79,335	79,335	8,657	8,727	8,463	1 4	10 7	1,329,375	1,900,943	209,104
15 percent	745,780	9,729,733	5,578,868	4,460,198	791,723	669,030	788,512	8 1	14 1	1,214,405	10,318,011	1,547,702
28 percent	276,321	6,798,603	4,952,627	1,084,133	867,117	303,557	866,322	12 7	17 5	465,996	2,662,291	745,442
28 percent capital gains	10,462	1,249,631	961,257	782,287	249,494	463,126	247,874	19 8	25 8	48,909	1,654,026	463,126
35 percent	152,059	6,218,066	4,712,747	1,121,192	1,112,151	392,417	1,098,994	17 7	23 3	181,842	1,791,309	626,958
38 5 percent	29,783	5,484,111	4,468,623	2,426,877	1,496,928	934,348	1,440,798	26 3	32 2	29 783	2,426,877	934,348
Form 8615	—	—	—	—	—	—	—	—	—	—	—	—

Footnote(s) at end of table

Table 3.4—Returns With Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	Returns of heads of households											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All marginal rates	**7,695,124**	**160,553,716**	**95,140,178**	**54,612,893**	**15,991,463**	**10,062,663**	**14,370,533**	**9.0**	**15.1**	**7,695,124**	**95,140,178**	**15,995,167**
11 percent	1,170,516	10,251,095	1,417,580	1,417,580	155,333	155,934	18,002	0.2	1.3	7,695,124	17,729,100	1,950,201
15 percent	5,589,906	102,856,090	57,413,026	43,438,261	8,050,240	6,515,739	6,689,992	6.5	11.7	6,524,608	62,599,652	9,389,948
28 percent	717,485	27,546,508	20,415,265	3,913,110	3,498,902	1,095,671	3,438,588	12.5	16.8	924,054	6,888,300	1,928,724
28 percent capital gains	25,047	2,326,295	1,907,522	1,238,800	456,773	584,256	449,367	19.3	23.6	63,490	2,086,627	584,256
35 percent	162,852	10,658,485	8,208,766	1,769,038	1,918,986	619,163	1,900,728	17.8	23.2	192,170	3,000,394	1,050,138
38.5 percent	29,318	6,915,243	5,778,019	2,836,105	1,911,228	1,091,900	1,873,856	27.1	32.4	29,318	2,836,105	1,091,900
Form 8615	—	—	—	—	—	—	—	—	—	—	—	—

Tax rate classes	Returns of single persons											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Modified taxable income		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate [1]
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income			
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All marginal rates	**38,290,884**	**645,540,800**	**448,984,611**	**213,349,815**	**85,498,030**	**48,000,999**	**85,197,593**	**13.2**	**19.0**	**38,290,884**	**448,984,611**	**85,515,120**
11 percent	7,322,744	28,886,615	5,297,116	5,297,116	579,015	582,683	573,420	2.0	10.8	38,285,822	60,445,260	6,648,979
15 percent	21,892,038	278,685,999	173,285,370	133,879,702	24,406,241	20,081,955	24,353,445	8.7	14.1	30,509,778	263,070,471	39,460,571
28 percent	5,429,974	148,208,082	114,611,006	23,387,442	19,838,415	6,548,484	19,810,082	13.4	17.3	8,506,674	54,207,867	15,178,203
28 percent capital gains	251,126	18,189,203	14,582,004	9,431,855	3,517,104	5,622,492	3,503,593	19.3	24.0	860,203	20,080,327	5,622,492
35 percent	2,566,399	115,697,597	93,930,716	19,721,959	21,890,388	6,902,686	21,833,004	18.9	23.2	2,930,313	29,547,637	10,341,673
38.5 percent	363,912	54,259,775	45,919,100	20,535,364	14,880,238	7,906,115	14,762,254	27.2	32.1	363,914	20,536,671	7,906,618
Form 8615	464,691	1,613,530	1,359,300	1,096,377	386,629	356,585	361,794	22.4	26.6	464,691	1,096,377	356,585

[1] Because of how the data were processed, income tax generated at rate does not add to tax generated at all rates
NOTE: Detail may not add to total because of rounding

Table 3.5—Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates [1]	Tax generated at specified rate								
					11 Percent			15 Percent			28 Percent		
					Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total	**89,692,395**	**1,850,213,466**	**1,847,753,421**	**373,102,475**	**89,687,333**	**203,286,554**	**22,361,521**	**77,958,663**	**1,032,425,068**	**154,863,760**	**25,777,593**	**235,708,808**	**65,998,466**
Under $2,000	1,748,122	641,987	641,987	88,001	1,746,303	553,375	60,871	—	—	—	—	—	—
$2,000 under $4,000	2,540,044	2,244,053	2,156,120	283,000	2,538,225	1,810,539	199,159	155,863	85,137	12,771	—	—	—
$4,000 under $6,000	3,816,545	5,674,534	5,437,779	689,854	3,816,545	4,261,213	468,733	1,124,241	996,749	149,512	—	—	—
$6,000 under $8,000	4,619,450	11,446,864	11,149,129	1,390,673	4,619,450	7,258,353	798,419	3,149,890	3,826,931	574,040	—	—	—
$8,000 under $10,000	4,807,720	18,483,311	18,097,789	2,382,445	4,807,720	8,354,022	918,942	3,880,351	9,696,604	1,454,491	—	—	—
$10,000 under $12,000	5,207,412	25,691,676	25,358,942	3,428,810	5,207,412	9,527,427	1,048,017	4,040,425	15,787,164	2,368,075	—	—	—
$12,000 under $14,000	5,236,664	33,881,591	33,526,012	4,602,634	5,236,664	10,984,897	1,208,339	4,527,514	22,473,857	3,371,079	—	—	—
$14,000 under $16,000	4,899,861	39,483,089	39,186,179	5,454,048	4,899,861	10,923,005	1,201,531	4,622,267	28,184,631	4,227,695	*3,638	*1,277	*358
$16,000 under $18,000	4,503,887	43,965,771	43,625,267	6,130,513	4,503,887	10,281,612	1,130,977	4,357,373	33,342,724	5,001,409	*2,296	*931	*261
$18,000 under $20,000	4,244,291	48,020,911	47,818,952	6,786,040	4,244,291	9,903,768	1,089,414	4,156,341	37,828,054	5,674,208	74,932	87,130	24,396
$20,000 under $25,000	8,967,574	126,032,289	125,696,804	18,467,794	8,967,574	21,865,775	2,405,235	8,905,484	100,044,715	15,006,707	2,102,006	3,786,314	1,060,168
$25,000 under $30,000	7,467,130	133,894,920	133,670,864	20,755,482	7,467,130	19,123,236	2,103,556	7,442,145	103,226,873	15,484,031	2,253,612	11,260,168	3,152,847
$30,000 under $40,000	11,578,336	270,912,746	270,722,479	43,480,588	11,576,953	31,151,300	3,426,643	11,557,553	209,862,088	31,479,313	3,861,875	24,915,354	6,976,299
$40,000 under $50,000	7,849,461	242,712,736	242,638,683	41,824,079	7,849,461	22,157,618	2,437,338	7,839,680	175,979,267	26,396,890	5,816,567	35,722,028	10,002,168
$50,000 under $75,000	8,099,602	347,978,968	347,971,052	70,281,139	8,099,602	23,340,979	2,567,508	8,094,986	193,084,203	28,962,630	7,723,485	97,248,871	27,229,684
$75,000 under $100,000	2,060,924	129,661,321	129,707,724	31,404,121	2,060,924	5,950,760	654,584	2,059,690	49,425,877	7,413,882	1,997,156	31,674,018	8,868,725
$100,000 under $200,000	1,508,025	153,927,487	154,085,169	43,524,894	1,508,025	4,312,658	474,392	1,507,578	35,876,284	5,381,443	1,438,534	22,957,564	6,428,118
$200,000 under $500,000	427,751	100,643,807	100,798,819	32,853,303	427,751	1,215,763	133,734	427,738	10,119,819	1,517,973	403,844	6,461,807	1,809,306
$500,000 under $1,000,000	74,892	42,794,638	42,922,515	14,698,589	74,853	212,662	23,393	74,853	1,771,268	265,690	69,401	1,112,201	311,416
$1,000,000 or more	34,704	72,120,769	72,541,155	24,576,469	34,702	97,589	10,735	34,691	812,823	121,923	30,247	481,144	134,720

Size of adjusted gross income	Tax generated at specified rate—continued											
	28 Percent Capital Gains			35 Percent			38 5 Percent			Form 8615		
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Total	**3,238,231**	**94,773,600**	**26,536,615**	**9,016,568**	**141,509,355**	**49,528,274**	**1,448,593**	**138,953,657**	**53,497,158**	**464,691**	**1,096,377**	**356,585**
Under $2,000	—	—	—	—	—	—	—	—	—	229,117	88,612	27,928
$2,000 under $4,000	—	—	—	—	—	—	—	—	—	147,724	260,443	72,272
$4,000 under $6,000	—	—	—	—	—	—	—	—	—	47,709	179,817	73,481
$6,000 under $8,000	—	—	—	—	—	—	—	—	—	*11,341	*63,845	*20,422
$8,000 under $10,000	—	—	—	—	—	—	—	—	—	*5,884	*47,163	*11,318
$10,000 under $12,000	—	—	—	—	—	—	—	—	—	*5,456	*44,350	*15,274
$12,000 under $14,000	—	—	—	—	—	—	—	—	—	*5,455	*67,257	*25,704
$14,000 under $16,000	—	—	—	—	—	—	—	—	—	*5,886	*77,266	*26,824
$16,000 under $18,000	—	—	—	—	—	—	—	—	—	—	—	—
$18,000 under $20,000	—	—	—	—	—	—	—	—	—	—	—	—
$20,000 under $25,000	—	—	—	—	—	—	—	—	—	—	—	—
$25,000 under $30,000	*5,534	*36,566	*10,240	19,215	24,022	8,408	—	—	—	—	—	—
$30,000 under $40,000	215,657	908,708	254,433	1,212,603	3,743,551	1,310,243	—	—	—	*4,580	*141,478	*38,833
$40,000 under $50,000	203,642	1,166,572	326,641	899,366	7,613,198	2,664,619	—	—	—	—	—	—
$50,000 under $75,000	1,018,970	7,171,813	2,008,111	3,192,009	26,480,505	9,268,177	106,942	595,731	229,356	*1,047	*48,950	*18,599
$75,000 under $100,000	717,804	7,566,270	2,118,557	1,820,128	33,174,347	11,611,021	121,841	1,885,874	726,061	*391	*30,578	*11,703
$100,000 under $200,000	742,333	19,244,571	5,388,484	1,380,282	49,998,200	17,499,370	758,101	21,693,842	8,352,129	*50	*2,050	*1,024
$200,000 under $500,000	256,816	18,956,559	5,307,837	394,942	16,367,362	5,728,577	367,574	47,677,508	18,355,841	—	—	—
$500,000 under $1,000,000	51,270	10,780,729	3,018,604	68,114	2,860,798	1,001,279	65,174	26,156,398	10,070,213	*39	*28,458	*7,978
$1,000,000 or more	26,205	28,941,812	8,103,707	29,909	1,247,373	436,581	28,961	40,944,304	15,763,557	*12	*16,110	*5,224

[1] Because of how the data were processed, income tax generated at rate does not add to tax generated at all rates

* Estimate should be used with caution because of the small number of sample returns on which it is based

NOTE Detail may not add to total because of rounding

Section 4

High Income Returns: Taxable and Nontaxable*

INTRODUCTION

Each year, a small number of individual income tax returns which report income of $200,000 or more do not show any income tax liability. Although such returns represent only a tiny fraction of all Federal income tax returns with high incomes (fewer than 1 in 500 returns), they generate a great deal of interest. Attention focuses on the features of the income tax system that seem to permit some high-income people to completely avoid Federal income tax at the same time that other taxpayers, most of whom have much lower incomes, have tax liabilities amounting to significant shares of their incomes. Information on the reasons for nontaxability of some high-income filers may provide a basis for discussing whether such features are necessary and appropriate in a broad-based income tax system.

The Tax Reform Act of 1976 required annual publication of data on individuals with high incomes including the number of such individuals who did not pay any income tax and the importance of various tax provisions in making those individuals nontaxable [1]. The 1976 Act specified that the tax return data be tabulated using four different concepts of income [2]. The Deficit Reduction Act of 1984 eliminated the requirement for publishing data for the two lesser-used income concepts [3]. Data for the years 1974 through 1986 have been published previously [4].

This Section contains the available high-income tax return data for 1987, with emphasis on high-income returns which are nontaxable. At the end of the text but preceding the tables are two appendices which include summaries of the definitions and concepts which are crucial to an understanding of high-income tax returns in general and nontaxable, high-income returns in particular. Appendix A, "Income Concepts: A Primer," describes and explains the differences between the two major and two minor concepts used to measure income. Appendix B, "Measurement of Taxes," discusses the proper measurement of income tax burdens, explains the different treatment of the foreign tax credit, outlines the methodology used to equate the importance of exclusions and deductions as compared with tax credits, and reviews certain limitations in the data underlying this Section.

This Section includes twelve tables with data representing 1987 income tax returns, mainly those with incomes of $200,000 or more under one or more different concepts of income. Most of the data are shown for taxable and nontaxable returns both separately and combined.

The tables show:

- The numbers of total and high-income returns (taxable, nontaxable, and combined) under each of the four income concepts (Tables 1 and 2);
- The distributions of taxable income as a percentage of total income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationships among all four income concepts used in this Section (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income taxes (Tables 7 and 8);
- The frequencies with which various itemized deductions and tax credits occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax as a percentage of income, for all returns and for high-income returns (Tables 11 and 12).

In addition to the data on high-income returns, the tables distribute all 1987 returns by broad income classes and cross-classify numbers of returns in each income class by the various income concepts. For purposes of comparison, the tables with distributions of returns by their effective tax rates include

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*Allen H. Lerman, of the Office of Tax Analysis, U.S. Treasury Department, designed the tables and prepared the text for this Section. Robert Kalish was responsible for production and table review.

distributions for returns other than high-income returns.

Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income taxes; this is the treatment on tax returns. Tables 2, 4, 6, 8, 10, and 12 are similar to the first set of tables but treat foreign tax credits as part of the individual's income tax liability. In these tables, tax is referred to as "Modified Total Income Tax." This different treatment is explained in more detail under the heading "Foreign Tax Credits" in Appendix B.

Numbers of High-Income Tax Returns

For 1987, the number of tax returns with incomes of at least $200,000 ranged from 521,938 to 588,061, depending on the income concept. These numbers represent from 0.49 percent to 0.55 percent of all tax returns filed.

As the result of the inclusion in AGI for 1987 of 100 percent of long-term capital gains, the differences in the numbers of high-income returns under various income concepts is substantially less than in prior years. That change together with the limitations on deductions for various forms of tax-sheltered activities makes the 1987 definition of AGI a better measure of true economic income than it was previously.

Nontaxable High-Income Returns

For 1987, there were 557,848 income tax returns with expanded income (which is deemed to be a better definition of income than AGI) of $200,000 or more. Of these, 472 or 0.085 percent, had no U.S. income tax liability and 364, or 0.065 percent, showed no worldwide income tax liability. If not for the Alternative Minimum Tax, 3,396 income tax returns, or 0.609 percent, would have had no U.S. income tax liability and 3,091, or 0.554 percent, would have had no worldwide income tax liability.

Of the 539,967 tax returns for 1987 with AGI of $200,000 or more, 857 or 0.159 percent, reported no U.S. income tax and 740, or 0.137 percent, had no worldwide tax liability. If not for the Alternative Minimum Tax, 2,963 income tax returns, or 0.549 percent, would have had no U.S. income tax liability and 2,647, or 0.490 percent, would have had no worldwide income tax liability.

NOTES AND REFERENCES

[1] Section 2123, 90 Stat. at 1915.

[2] The concepts are: adjusted gross income (AGI), expanded income, AGI plus excluded preferences, and AGI less investment interest not in excess of investment income. See Appendix A for a full discussion of these concepts.

[3] Section 441 (90 Stat. at 815) eliminated the requirement of using AGI plus excluded preferences and AGI less investment interest not in excess of investment income. Despite Section 441, for purposes of historical comparison, this report includes summary data on the numbers of total, taxable, and nontaxable returns for these two income concepts. See Tables 1 through 4.

[4] Lerman, Allen H., High Income Tax Returns: 1974 and 1975, A Report on High Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability, U.S. Department of Treasury, Office of Tax Analysis, March 1977, and High Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns, U.S. Department of the Treasury, Office of Tax Analysis, August 1978.

U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--Individual Income Tax Returns, reports for 1977, 1978, 1979, 1980, 1981, 1982, 1985, and 1986. (For 1977 and 1978, only the actual numbers of nontaxable, high-AGI returns have been published.)

Lerman, Allen H., "High Income Tax Returns, 1983", Statistics of Income Bulletin, Spring 1986, Volume 5, Number 4, pp. 31-61.

Lerman, Allen H., "High Income Returns, for 1984", Statistics of Income Bulletin, Spring 1987, Volume 6, Number 4, pp. 1-29.

APPENDIX A

INCOME CONCEPTS: A PRIMER

This Appendix contains an explanation of the differences between the two major and two minor concepts of income which are used in this Section and an outline of how the various concepts differ from the ideal economic concept of income. The two major conceptual differences between the income measures are detailed, and the exact relationships between the various concepts are defined.

Economic Income, the Ideal Measure

Economists generally agree that for analyzing the impact of taxes, the ideal measure of income over a particular period of time, say a year, is the value of what the individual or family consumed over that period plus the change, if any, in its net worth [A1]. For example, if during a year a family spent $25,000 and saved $2,000, economists would say the family had an income

of $27,000. Similarly, if the family spent $25,000 but owned an asset such as an automobile that decreased in value by $1,000, economists would say that the family had an income of only $24,000. A brief examination of the differences between income as defined by economists, often called economic income, and the adjusted gross income (AGI) concept, used for Federal income tax administration, illustrates some of the problems of measuring income, especially for high-income individuals.

Adjusted Gross Income

The concept of adjusted gross income was developed for tax administration. It has never been meant to be an accurate measure of so-called economic income. Indeed, it is well recognized that AGI is deficient as a measure of economic income. For Tax Year 1987, AGI excludes certain types of income, such as interest from tax-exempt State and local Government bonds, most social security benefits, imputed rent on owner-occupied housing, and the value of many employee fringe benefits. (For 1987, unlike immediately prior years, AGI does include 100 percent of net realized long-term capital gains.) Also, while not strictly excluded from AGI, income from other activities is deferred to a later year, or indefinitely, for income tax purposes. Depreciation deductions allowed for income tax purposes that exceed the decrease in the economic value of an asset often reduce AGI below economic income early in an asset's life. The resulting lower depreciation deductions in later years may raise AGI above economic income. The net effect, however, of accelerated depreciation is to postpone taxes, perhaps indefinitely [A2].

Adjusted gross income excludes most changes in net worth, such as all accrued, but unrealized, capital gains [A3].

Even though some types of income are excluded, AGI may overstate economic income because some expenses incurred in the production of income are not deductible in the computation of AGI. Most of these expenses, however, are deductible from AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then in most cases only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses falling into this category include certain expenses incurred by employees (such as union dues, expenditures for items used on-the-job but not reimbursed by the employer, and employees' travel, meal and entertainment expenses), job-related moving expenses, and expenses attributable to a taxpayer's investments (as opposed to the active operation of a trade or business) including, but not limited to, interest expense incurred in connection with investments in securities. Although net capital losses reduce economic income, only the first $3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years.

Redefining Income

Ideally, the impact of all taxes should be measured relative to economic income. However, no accurate, detailed data on such a broadly-defined income measure are available from income tax returns (or from any other source) for a cross-section of American taxpayers. As a practical matter, any broad income measure for a large group of taxpayers must be calculated from data already available from Federal individual income tax returns. Thus, a more comprehensive income measure must start from AGI and, to the extent that data are available, must make adjustments for omitted income items and expenses that ought to be deductible in calculating economic income [A4].

Omitted Income and Accelerated Deductions

Tax returns contain information about only a portion of the income included in economic income but excluded from AGI. The omitted income that could be identified on 1987 income tax returns consisted of: interest received on tax-exempt State and local Government bonds; current-year capital losses in excess of currently deductible amounts; payments to self-employed retirement (Keogh) and Individual Retirement Arrangement (IRA) pension savings plans; some social security benefits; and income from sources considered to be tax preferences for purposes of the alternative minimum tax. Even if no alternative minimum tax is due, such preferences are generally supposed to be reported on Form 6251, Alternative Minimum Tax Computation, which is supposed to accompany the person's income tax return [A5].

Even after including preference income which was not in AGI but which was identifiable on 1987 tax returns, several major sources of income for high-income taxpayers were still omitted:

- All accrued but unrealized income, primarily unrealized capital gains;
- Certain agricultural expenses deducted when paid, even though related income items are not includable in income until a later year;
- Imputed rental income from owner-occupied housing and from consumer durables;
- Straight-line depreciation deductions on real estate to the extent that they exceed economic depreciation;

- Income "sheltered" from taxation--primarily partnership income--through deferral of the recognition of income for tax purposes and/or the acceleration of deduction items (although these "sheltered" items are more limited in 1987 than previously); and

- The value of employee fringe benefits [A6].

For real estate, the combination of a shorter life for tax purposes than the true economic life of the property and the use of accelerated depreciation methods may produce tax depreciation deductions exceeding economic depreciation, especially in the early years of ownership. Subsequently, income may be correspondingly higher, but in the meantime, the taxpayer has had the interest-free use of the deferred taxes.

Conceptual differences between income subject to ordinary tax and income benefiting from tax-preferred treatment may also lead to some understatement of income. Because of tax benefits, individuals may be willing to accept lower rates of return on investments yielding tax-preferred income. If one views that reduction in potential income as an "implicit tax" on that income (paid in lieu of ordinary tax), then the reporting of fully taxable and tax-preferred income is not consistent. Fully taxable income is being reported on a pre-tax basis, whereas a tax-preferred income is being shown on an after-tax basis. See "Implicit Tax" in Appendix B for further discussion of this concept.

Because income sources not identifiable from tax return data are excluded, all income measures used in the data for this Section may understate economic income. As a consequence, some individuals with high economic incomes may have been omitted completely from the high-income group covered by this report. Moreover, the income of some individuals who are included may have been understated, and tax as a percentage of income (i.e., the effective tax rate) may have been overstated.

Investment Expenses

In measuring economic income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments. Since economic income would include all investment income, including accrued capital gains and losses, it would be proper to deduct all investment expenses without limit. Investment expenses in excess of income would then represent net economic losses, roughly akin to "net operating losses" from a trade or business. However, such a liberal deduction for investment-related expenses is not necessarily correct when all income items have not been included currently.

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets.

As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating a broader measure of income.

Investment expenses that have not been deducted in determining AGI generally appear on a Federal individual income tax return in one of two places. Investment interest is taken into account in the calculation of the itemized deduction for interest; other investment expenses such as management fees are included in the miscellaneous category of itemized deductions [A7]. For 1987, most of the types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of economic income, investment expenses have been defined as the entire interest deduction other than the interest paid on a home mortgage. Other investment expenses could not be determined since they could not be separated from the remainder of "miscellaneous" deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they have been allowed as a deduction in the computation of a broader measure of income. Investment interest expenses which do exceed investment income are not deductible in calculating the broader income measure. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may overstate

income by disallowing genuine investment losses. This arbitrary procedure has been selected because, especially with the omission of accrued capital gains from measured income, allowing all investment expenses to be deducted would represent a mismatching of income and expenses.

Expanded Income

The Congress has asked for high-income data to be tabulated on the basis of a measure closely approximating economic income but using only data available on tax returns. This measure is called "expanded income."

Expanded income is defined as adjusted gross income (AGI) plus items of tax preference income excluded from AGI less investment expenses to the extent that they do not exceed investment income [A8]. Tax preferences considered for 1987 were tax-exempt State and local Government bond interest and, where the taxpayer filed a Form 6251, Alternative Minimum Tax Computation, all other excluded income preferences subject to the minimum tax [A9] [A10]. For individuals, the only Alternative Minimum Tax preference items of significance are the excess of accelerated depreciation over straight-line depreciation on real property and on personal property subject to a lease (for property placed in service before 1987), the excess of percentage depletion over the cost of the property, the deduction for intangible drilling costs in excess of the amounts deductible if these costs had been amortized, incentive stock options, and the appreciated portion of the value of property contributed to charitable organizations. Because expanded income is based on tax return data, it excludes items such as accrued but unrealized capital gains, straight-line depreciation on real estate in excess of economic depreciation, most employee fringe benefits, and other items mentioned above, under "Omitted Income and Accelerated Deductions."

Four Income Measures

Current law requires high-income tax return data to be selected and classified on the basis of two different definitions of income: expanded income and adjusted gross income. For comparability with data for earlier years, this Section also includes a limited amount of data using two other, previously required, income definitions. Each of the two additional income measures embodies only one of the two major differences between expanded income and AGI. "Adjusted gross income plus excluded tax preferences" is AGI plus the amount of tax preference income excluded from AGI. "Adjusted gross income less investment interest" is AGI less the amount of investment interest to the extent that it does not exceed investment income.

When ranked according to size of income, AGI plus excluded tax preferences is largest, AGI less investment interest is smallest, and AGI and expanded income fall in the middle. For any given taxpayer, AGI can be larger or smaller than expanded income depending on whether preferences are larger or smaller than investment interest.

The four income concepts are related in the following manner [A11]:

Expanded income

= Adjusted gross income + preferences - investment interest

Adjusted gross income

= Expanded income - preferences + investment interest

Adjusted gross income plus excluded tax preferences

= Adjusted gross income + preferences
or = Expanded income + investment interest

Adjusted gross income less investment interest

= Adjusted gross income - investment interest
or = Expanded income - preferences

Expanded income is the measure which most closely approximates economic income [A12].

NOTES TO APPENDIX A

[A1] This is the Haig-Simons definition of income.

[A2] For Tax Year 1987, the Internal Revenue Code defined adjusted gross income as all gross income not specifically excluded, and reduced by statutory adjustments. Among the exclusions were trade or business deductions (including some deductions by employees), depreciation deductions allowable for tax purposes, limited deductions for losses from the sale or exchange of property, certain deductions attributable to rents and royalty income, and deductions for contributions to individual retirement arrangements (IRA's) and self-employed retirement (Keogh) plans.

[A3] Gross income includes only income that has been "realized." Thus, for Federal income tax purposes, accrued increases or decreases in the value of assets are generally not included in income until any gain or loss is realized by a sale or exchange. In addition, gross income does not include the value of the services

received from the use of durable goods, such as imputed net rent from owner-occupied homes or from consumer durables. Finally, gross income and, hence, adjusted gross income, do not include interest on most types of State and local Government debt, most social security benefits, workers' compensation benefits, and most types of welfare benefits.

[A4] There have been attempts to create micro-data files that include approximations of economic income. Tax return data files have been "statistically merged", i.e., merged with information for persons having similar characteristics, with other files such as the Current Population Survey (CPS) of the Bureau of the Census. After the merge, certain additional data items that were not on either file have been "imputed" to each record of the merged file. Although such statistically merged files have proven useful for many purposes, they have only limited use--and must be used with great caution--for high-income individuals and families, each of which is likely to have more nearly unique financial and income characteristics that are not likely to be duplicated accurately through imputations or statistical merges.

[A5] The tax preferences excluded from adjusted gross income, as tabulated in Tables 5 and 6, included the following items: the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease (for property placed in service before 1987); the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the appreciated portion of the value of property contributed to charitable organizations; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceeded the otherwise allowable amortization deductions. Preferences from itemized deductions did not represent omitted income; hence, they were not counted as preference items in calculating a broader measure of income. The preference from tax-exempt interest from certain private activity bonds was not included since the interest for all tax-exempt State and local Government bonds was considered as omitted income.

[A6] Omission of social security benefits and certain other items is relatively unimportant for high-income taxpayers.

[A7] In addition, income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from certain small business corporations, only the net amounts of which are included in adjusted gross income.

[A8] For the sake of brevity, "investment interest to the extent that it does not exceed investment income" is called "investment interest." "Investment interest in excess of investment income" is called "excess investment interest."

[A9] See footnote [A5].

[A10] For 1987, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local Government bonds. However, such interest income generally was not taxable.

[A11] The borderline between excess and non-excess investment interest depends on the income items actually included under each income concept. Hence, the size of the investment interest adjustment differs depending on which income concept is used.

[A12] Because of the inclusion for 1987 of tax-exempt State and local Government bond interest in the calculation of "expanded income" and "adjusted gross income plus excluded tax preferences," these income concepts may not be strictly comparable to similar items calculated for previous years.

APPENDIX B

MEASUREMENT OF TAXES

This Appendix discusses the proper measurement of income tax burdens. First, two different treatments of the foreign tax credit are explained: as a tax on income; or as an item of tax preference. Second, the concept of an implicit tax on tax preference income is discussed. Third, the Appendix includes an outline of the methodology used in the tabulations of 1987 tax return data to equate the importance of tax credits with exclusions and deductions from the income base subject to tax. Finally, certain limitations in the underlying tax return data are summarized.

Foreign Tax Credits: Worldwide Taxes on Worldwide Income

Just as income must be measured properly, so must income taxes.

U.S. income taxes are based on worldwide income. Thus, U.S. citizens and residents generally must include income on their U.S. income tax returns regardless of whether it has been generated in the United States or in a foreign country. However, when a taxpayer has foreign source income, the U.S. income tax computed on global income often may be reduced dollar-for-dollar by the amount of foreign income tax that has been paid on that foreign income. These offsets for foreign income taxes are called "foreign tax credits" [B1].

Statistics of Income (SOI) data collected as a by-product of tax administration include global income as reported on U.S. income tax returns. The SOI data, however, usually include as taxes only U.S. income taxes net of the foreign tax credits that represent offsets for foreign income tax payments. For taxpayers with income from foreign sources, this procedure understates worldwide tax liabilities and effective tax rates. Since worldwide income is reported on U.S. tax returns, a more accurate measure of the tax burden imposed on that income would be obtained if all income taxes--U.S. as well as foreign--were considered. Analysis indicates that a substantial portion of the so-called nontaxable, high-income tax returns report that large shares of their income are from non-U.S. sources and that substantial amounts of foreign income taxes have been paid on that income. Thus, it does not seem appropriate to classify such taxpayers as nontaxable or to classify foreign tax credits as special tax benefits [B2].

In order to present a more realistic picture of the number of nontaxable, high-income tax returns and the reasons they are nontaxable, several tables in this Section have been prepared by redefining income tax liability to consist of the total amount of U.S. income taxes (income taxes after credits plus the alternative minimum tax) plus the amount of foreign tax credits. Because information on foreign tax liabilities is not readily available in tabulations from U.S. income tax returns, foreign tax credits as shown on U.S. income tax returns are used as a proxy for foreign tax liabilities. Where foreign tax rates exceed U.S. rates, and in certain other instances, foreign tax credits actually will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign taxes understates global income tax liability. In cases in which foreign tax credits are for taxes paid on income from earlier years, use of foreign tax credits may either overstate or understate global taxes on the current year's income.

The tables redefining tax liability to include the foreign tax credit attempt to present an approximation of the true worldwide income tax burden on worldwide income. For the vast majority of taxpayers--with high incomes or otherwise--this adjustment is irrelevant, for they have little or no foreign-source income. However, for the small proportion of taxpayers with substantial foreign income, this adjustment is important. The policy implications of a person with a very large amount of income not paying U.S. income tax certainly would be different if U.S. nontaxability were the result of the person's living and working abroad and paying substantial amounts of foreign taxes than if all income were from U.S. sources and the person paid no income tax either to the U.S. Government or to any other government.

In order to be consistent with other SOI tabulations, all tables showing nontaxability or the amount of taxability on the basis of worldwide tax liability have been duplicated by other tables with tax liability defined in the more traditional way used for tax administration purposes: U.S. income tax liability after subtracting the value of any foreign tax credits. Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income tax liabilities. Tables 2, 4, 6, 8, 10, and 12 include foreign tax credits as part of the individual's income tax liability.

Implicit Tax

Income from certain tax-preferred sources is either not subject to any Federal individual income tax or benefits from reduced tax rates or the deferral of taxation, or both. To the extent that the income from such sources has been reduced because of the existence of tax preferences, the stated tax on such income understates the amount of tax effectively paid by the recipient of that income. In addition to any income tax actually paid, there is an "implicit tax" equal to the amount by which the income from that source has been reduced because of the tax preferences. Thus, the benefit to the recipient of tax-preferred income is less than the stated tax preference to the extent that the gross income from that source has been reduced in anticipation of the tax preference. As a result, an individual may be indifferent between a lower-yield, nontaxable income source and a higher-yield taxable source.

Tax-exempt income from State and local Government bonds provides the clearest example of an "implicit tax." Because of the tax exemption, the interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds with equivalent risk and maturity. The yields between tax-exempt and taxable bonds generally differ by an amount such that the yield on the tax-exempt bonds will be about the same or slightly more than the after-tax yield on an equivalent taxable bond. In reality, the holders of tax-exempt bonds are paying an "implicit tax" which is equal to the spread between the interest rates on the tax-free bond and the equivalent taxable bond multiplied by the face value of the bonds.

The main difference between implicit tax and ordinary Federal income tax is the recipient of

the tax revenue. The general fund of the Federal Government receives the ordinary Federal income tax revenue whereas the implicit tax revenue is usually divided between the payer and the recipient of the tax-preferred income. The government entity issuing a tax-exempt bond receives part of the implicit tax in the form of reduced rates on interest paid on those bonds. For other assets producing tax-preferred income, some of the implicit tax is received by the seller of the asset in the form of a higher price reflecting the capitalized value of some of the stream of tax benefits.

No attempts have been made in this Section to measure implicit taxes. Accordingly, taxes paid and tax rates have not been adjusted to reflect implicit taxes on tax preference income.

Adjusting Income for Implicit Tax

It should also be noted that compared with income from other sources, the gross income from tax-preferred sources is understated by the amount by which that income has been reduced by the portion of the above-mentioned "implicit tax" which benefits the recipient of the income. In theory, when measuring income, it would be appropriate to "gross up" the amount of tax-preferred income received by the portion of the implicit tax on that income which has actually benefited the recipient of the income. Since no attempt has been made to measure implicit taxes for this Section, incomes have not been increased to reflect the value of implicit taxes.

Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be put on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit. This amount is called the "deduction equivalent" of the tax credit.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield tax before credits" and "taxable income which would yield tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax rate bracket.

The deduction equivalents of tax credits shown in the accompanying tables were computed by assuming that deductions and exclusions reduced taxes before tax credits. As a result, the deduction equivalent of tax credits is biased upwards.

Share of Income Subject to Tax

The total impact of various deductions, exclusions, tax credits, and special tax computations can be measured only if the aggregate value of all, or groups, of these items in reducing, or increasing, income taxes is put on a comparable basis. Two often-used measures of the value of deductions and exclusions are (1) the share of income that has been excluded from tax and (2) the share of income that remains subject to tax. The latter measure can also include the impact of tax credits and special tax computations if the deduction equivalent of these items is added to taxable income defined in the ordinary manner. Doing so yields what the tables accompanying this Section call "taxable income which would yield income tax before credits," "taxable income which would yield income tax after credits," and "taxable income which would yield total income tax." These measures could be computed directly from taxable income and from the deduction equivalents of the appropriate items. However, these measures have been computed by using the tax rate schedules to calculate the amounts of taxable income that would have been necessary (when subject to tax under the appropriate, ordinary tax rate schedule) to yield the given amounts of tax.

Unaudited Data

Tax return data used in the Statistics of Income program have been tabulated as they have been reported on tax returns filed with the Internal Revenue Service. Certain, obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that may be made in the future as a result of IRS audits. While this is true of data throughout the entire SOI program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher

probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

NOTE TO APPENDIX B

[B1] Certain amounts of income earned abroad are excluded from adjusted gross income by statute. Any foreign taxes paid on such income are not creditable against U.S. income taxes. The tables in this Section do not reflect either such excluded income or any foreign tax payments on it.

[B2] For 1987, the number of high-income returns whose non-taxability may be attributed to foreign tax credits is reduced substantially. The reduction appears to be attributable to changes in the foreign tax credit provisions of the Alternative Minimum Tax.

Table 1—Returns With and Without Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	**106,996,270**	**94,768,013**	**10,174,636**	**1,513,654**	**539,967**
Size of expanded income					
Under $50,000	95,025,944	94,591,760	430,897	2,767	520
$50,000 under $100,000	9,927,093	165,617	9,663,312	97,723	441
$100,000 under $200,000	1,485,385	10,319	74,757	1,378,430	21,879
$200,000 or more	557,848	317	5,670	34,734	517,127
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	94,574,671	94,574,671	—	—	—
$50,000 under $100,000	10,260,023	182,694	10,077,329	—	—
$100,000 under $200,000	1,573,515	10,324	91,619	1,471,572	—
$200,000 or more	588,061	324	5,688	42,082	539,967
Size of adjusted gross income less investment interest					
Under $50,000	94,995,072	94,768,013	223,710	2,725	624
$50,000 under $100,000	10,009,438	—	9,950,926	57,889	623
$100,000 under $200,000	1,469,822	—	—	1,453,040	16,782
$200,000 or more	521,938	—	—	—	521,938
Returns With Total Income Tax					
Total	**88,634,065**	**76,426,606**	**10,158,439**	**1,509,910**	**539,110**
Size of expanded income					
Under $50,000	76,689,390	76,261,613	425,521	2,102	154
$50,000 under $100,000	9,906,592	156,503	9,652,578	97,152	359
$100,000 under $200,000	1,480,707	8,213	74,754	1,375,953	21,787
$200,000 or more	557,376	277	5,586	34,703	516,810
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	76,245,378	76,245,378	—	—	—
$50,000 under $100,000	10,234,276	172,728	10,061,548	—	—
$100,000 under $200,000	1,567,458	8,220	91,290	1,467,948	—
$200,000 or more	586,953	280	5,601	41,962	539,110
Size of adjusted gross income less investment interest					
Under $50,000	76,647,071	76,426,606	218,256	1,976	233
$50,000 under $100,000	9,998,131	—	9,940,183	57,402	546
$100,000 under $200,000	1,467,226	—	—	1,450,532	16,694
$200,000 or more	521,637	—	—	—	521,637
Returns Without Total Income Tax					
Total	**18,362,205**	**18,341,407**	**16,197**	**3,744**	**857**
Size of expanded income					
Under $50,000	18,336,554	18,330,147	5,376	665	366
$50,000 under $100,000	20,501	9,114	10,734	571	82
$100,000 under $200,000	4,678	2,106	*3	2,477	92
$200,000 or more	472	40	*84	*31	317
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	18,329,293	18,329,293	—	—	—
$50,000 under $100,000	25,747	9,966	15,781	—	—
$100,000 under $200,000	6,057	2,104	*329	3,624	—
$200,000 or more	1,108	44	*87	120	857
Size of adjusted gross income less investment interest					
Under $50,000	18,348,001	18,341,407	5,454	749	391
$50,000 under $100,000	11,307	—	10,743	487	77
$100,000 under $200,000	2,596	—	—	2,508	88
$200,000 or more	301	—	—	—	301

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Returns with total income tax includes returns with income tax which is totally offset by the earned income credit.

Table 2—Returns With and Without Modified Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under $50,000	$50,000 under $100,000	$100,000 under $200,000	$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	**106,996,270**	**94,768,013**	**10,174,636**	**1,513,654**	**539,967**
Size of expanded income					
Under $50,000	95,025,944	94,591,760	430,897	2,767	520
$50,000 under $100,000	9,927,093	165,617	9,663,312	97,723	441
$100,000 under $200,000	1,485,385	10,319	74,757	1,378,430	21,879
$200,000 or more	557,848	317	5,670	34,734	517,127
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	94,574,671	94,574,671	—	—	—
$50,000 under $100,000	10,260,023	182,694	10,077,329	—	—
$100,000 under $200,000	1,573,515	10,324	91,619	1,471,572	—
$200,000 or more	588,061	324	5,688	42,082	539,967
Size of adjusted gross income less investment interest					
Under $50,000	94,995,072	94,768,013	223,710	2,725	624
$50,000 under $100,000	10,009,438	—	9,950,926	57,889	623
$100,000 under $200,000	1,469,822	—	—	1,453,040	16,782
$200,000 or more	521,938	—	—	—	521,938
Returns With Modified Total Income Tax					
Total	**88,666,459**	**76,456,735**	**10,160,081**	**1,510,416**	**539,227**
Size of expanded income					
Under $50,000	76,719,963	76,291,742	425,963	2,102	156
$50,000 under $100,000	9,907,793	156,503	9,653,778	97,152	360
$100,000 under $200,000	1,481,219	8,213	74,754	1,376,459	21,793
$200,000 or more	557,484	277	5,586	34,703	516,918
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	76,275,507	76,275,507	—	—	—
$50,000 under $100,000	10,235,918	172,728	10,063,190	—	—
$100,000 under $200,000	1,567,964	8,220	91,290	1,468,454	—
$200,000 or more	587,070	280	5,601	41,962	539,227
Size of adjusted gross income less investment interest					
Under $50,000	76,677,202	76,456,735	218,256	1,976	235
$50,000 under $100,000	9,999,774	—	9,941,825	57,402	547
$100,000 under $200,000	1,467,738	—	—	1,451,038	16,700
$200,000 or more	521,745	—	—	—	521,745
Returns Without Modified Total Income Tax					
Total	**18,329,811**	**18,311,278**	**14,555**	**3,238**	**740**
Size of expanded income					
Under $50,000	18,305,981	18,300,018	4,934	665	364
$50,000 under $100,000	19,300	9,114	9,534	571	81
$100,000 under $200,000	4,166	2,106	*3	1,971	86
$200,000 or more	364	40	*84	*31	209
Size of adjusted gross income plus excluded tax preferences					
Under $50,000	18,299,164	18,299,164	—	—	—
$50,000 under $100,000	24,105	9,966	14,139	—	—
$100,000 under $200,000	5,551	2,104	*329	3,118	—
$200,000 or more	991	44	*87	120	740
Size of adjusted gross income less investment interest					
Under $50,000	18,317,870	18,311,278	5,454	749	389
$50,000 under $100,000	9,664	—	9,101	487	76
$100,000 under $200,000	2,084	—	—	2,002	82
$200,000 or more	193	—	—	—	193

* Estimate should be used with caution because of the small number of sample returns on which it is based

[1] Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit

Table 3—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	**539,967**	**100.0**	—	**557,848**	**100.0**	—	**588,061**	**100.0**	—	**521,938**	**100.0**	—
Returns without total income tax	857	0 2	—	472	0 1	—	1,108	0 2	—	301	0 1	—
Returns with total income tax												
Total	539,110	99 8	100 0	557,376	99 9	100 0	586,953	99 8	100 0	521 637	99 9	100 0
Ratio of taxable income to alternative income												
Under 5 percent	314	0 1	0 1	1,332	0 2	0 2	1 458	0 2	0 2	275	0 1	0 1
5 under 10 percent	356	0 1	0 1	1,007	0 2	0 4	1 172	0 2	0 4	197	( )	0 1
10 under 15 percent	964	0 2	0 3	2,826	0 5	0 9	3,452	0 6	1 0	791	0 2	0 2
15 under 20 percent	928	0 2	0 5	3,541	0 6	1 6	3,790	0 6	1 7	491	0 1	0 3
20 under 25 percent	1,203	0 2	0 7	3,229	0 6	2 1	4,289	0 7	2 4	515	0 1	0 4
25 under 30 percent	1,517	0 3	1 0	2,574	0 5	2 6	3,660	0 6	3 0	749	0 1	0 6
30 under 35 percent	1,732	0 3	1 3	4,306	0 8	3 4	5,236	0 9	3 9	1,162	0 2	0 8
35 under 40 percent	3,152	0 6	1 9	6,166	1 1	4 5	8,003	1 4	5 3	2,067	0 4	1 2
40 under 45 percent	3,642	0 7	2 6	9,746	1 7	6 2	11,735	2 0	7 3	2,557	0 5	1 7
45 under 50 percent	5,734	1 1	3 6	11,132	2 0	8 2	13,573	2 3	9 6	3,144	0 6	2 3
50 under 60 percent	27,937	5 2	8 8	36,119	6 5	14 7	45,525	7 8	17 4	20,273	3 9	6 2
60 under 70 percent	69,883	13 0	21 8	72,260	13 0	27 7	89,731	15 3	32 6	60,064	11 5	17 7
70 under 80 percent	159,912	29 7	51 4	155,139	27 8	55 5	167,710	28 6	61 2	152 497	29 2	46 9
80 percent or more	261,836	48 6	100 0	247,999	44 5	100 0	227,619	38 8	100 0	276,855	53 1	100 0

( ) Less than 0 05 percent
NOTE Detail may not add to total because of rounding

Table 4—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	**539,967**	**100.0**	—	**557,848**	**100.0**	—	**588,061**	**100.0**	—	**521,938**	**100.0**	—
Returns without modified total income tax	740	0 1	—	364	0.1	—	991	0 2	—	193	( )	—
Returns with modified total income tax												
Total	539,227	99.9	100 0	557,484	99 9	100 0	587,070	99 8	100 0	521,745	100 0	100 0
Ratio of taxable income to alternative income												
Under 5 percent	263	( )	( )	1,277	0 2	0.2	1,405	0 2	0 2	222	( )	( )
5 under 10 percent	105	( )	0 1	813	0 1	0 4	925	0 2	0 4	7	( )	( )
10 under 15 percent	255	( )	0 1	2,060	0 4	0 7	2,731	0 5	0 9	21	( )	( )
15 under 20 percent	463	0 1	0.2	3,015	0 5	1 3	3,210	0 5	1 4	29	( )	0 1
20 under 25 percent	992	0 2	0 4	2,966	0.5	1 8	3,880	0 7	2 1	304	0 1	0 1
25 under 30 percent	1,223	0 2	0 6	2,289	0 4	2 2	3,324	0 6	2 6	516	0 1	0 2
30 under 35 percent	1,407	0 3	0 9	4,011	0 7	2 9	4,940	0 8	3 5	833	0 2	0 4
35 under 40 percent	2,921	0 5	1 4	5,767	1 0	4 0	7,829	1 3	4 8	1,849	0 4	0 7
40 under 45 percent	3,426	0 6	2 1	9,739	1 7	5 7	11,599	2 0	6 8	2,321	0 4	1 2
45 under 50 percent	5,522	1 0	3 1	10,832	1 9	7 7	13,357	2 3	9 1	2,938	0 6	1 7
50 under 60 percent	27,283	5 1	8 1	35,416	6 4	14 0	44,655	7 6	16 7	19,710	3 8	5 5
60 under 70 percent	68,847	12 8	20 9	71,974	12 9	26 9	89,582	15 3	31 9	58,996	11 3	16 8
70 under 80 percent	160,446	29 8	50 7	155,354	27 9	54 8	168,153	28 6	60.6	152,737	29 3	46 1
80 percent or more	266,074	49 3	100 0	251,971	45 2	100 0	231,480	39 4	100 0	281,262	53 9	100 0

( ) Less than 0 05 percent
NOTE Detail may not add to total because of rounding

Table 5—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	442,610	112,913,063	442,071	112,811,671	539	101,392	442,125	111,753,921	441,871	111,679,843	254	74,078
Business or profession												
Net income	106,030	11,873,570	105,859	11,848,719	171	24,851	108,201	11,867,673	108,130	11,853,502	71	14,172
Net loss	46,559	1,685,169	46,346	1,630,617	213	54,552	46,739	1,665,254	46,560	1,643,169	179	22,085
Farm												
Net income	8,255	469,209	8,237	467,453	18	1,756	8,736	469,122	8,732	468,985	4	137
Net loss	22,254	1,221,360	22,171	1,203,442	83	17,918	22,061	1,242,572	22,032	1,230,289	29	12,283
Partnership and S Corporation net income after Section 179 property deduction.												
Net income	184,927	36,401,879	184,778	36,370,745	149	31,135	189,330	36,474,855	189,257	36,451,594	73	23,260
Net loss	204,451	11,932,593	203,934	11,574,021	517	358,572	207,816	11,877,755	207,560	11,754,864	256	122,892
Sales of capital assets:												
Net gain	354,371	69,328,005	353,826	69,007,075	545	320,930	368,801	69,494,783	368,528	69,389,820	273	104,962
Net loss	97,092	236,418	96,901	235,884	191	534	100,964	248,112	100,888	247,913	76	199
Sales of property other than capital assets												
Net gain	50,650	1,081,531	50,538	1,071,478	112	10,053	50,961	1,075,824	50,919	1,062,719	42	13,105
Net loss	53,503	446,909	53,393	440,894	110	6,015	56,295	457,896	56,190	455,828	105	2,068
Interest received	534,842	21,285,864	534,022	20,811,327	820	474,537	552,920	21,446,438	552,484	21,351,738	436	94,700
Tax-exempt interest	208,854	9,401,170	208,673	9,383,097	181	18,072	239,182	13,539,208	239,001	13,484,503	181	54,705
Dividends	450,774	14,894,191	450,138	14,792,139	636	102,052	470,852	15,849,774	470,530	15,821,259	322	28,515
Pensions and annuities in adjusted gross income	99,847	2,520,833	99,735	2,512,840	112	7,993	108,814	2,748,916	108,774	2,747,179	40	1,737
Rent												
Net income	105,718	3,813,201	105,547	3,796,258	171	16,943	110,189	3,947,894	110,131	3,937,868	58	10,026
Net loss (deductible and nondeductible)	143,138	3,010,991	142,828	2,987,792	310	23,199	141,760	2,894,249	141,536	2,884,049	224	10,201
Net loss (nondeductible)	96,178	725,121	95,996	721,154	182	3,968	92,540	634,824	92,410	634,189	130	635
Royalty												
Net income	44,752	1,108,187	44,616	1,101,753	136	6,434	48,731	1,163,974	48,601	1,161,232	130	2,742
Net loss	5,181	30,454	5,166	30,341	15	113	4,918	29,645	4,914	29,612	4	33
Estate or trust												
Net income	36,098	1,621,499	36,043	1,616,796	55	4,703	41,598	1,713,644	41,576	1,712,919	22	726
Net loss	8,767	170,741	8,743	169,076	24	1,665	9,299	168,611	9,292	168,482	7	129
State income tax refunds	292,066	1,549,799	291,810	1,544,720	256	5,079	297,625	1,574,750	297,536	1,572,251	89	2,499
Windfall profit tax refunds	3,257	4,240	3,249	4,239	8	1	3,945	4,295	3,944	4,294	1	1
Windfall profit tax withheld	6,517	2,282	6,492	2,260	25	22	6,959	2,295	6,942	2,281	17	15
Alimony received	1,777	149,460	1,774	149,102	3	358	1,692	146,620	1,691	146,612	1	8
Social security benefits in adjusted gross income	90,650	544,145	90,536	543,481	114	664	109,233	668,370	109,178	668,065	55	305
Unemployment compensation	2,920	6,428	†	†	†	†	2,687	5,931	2,685	5,921	2	10
Other income	114,038	2,663,948	113,832	2,641,350	206	22,598	116,516	2,661,101	116,425	2,644,115	91	16,986
Other loss	9,296	806,445	9,195	779,581	101	26,864	9,510	832,611	9,472	803,606	38	29,005
Total income	539,967	263,247,074	539,110	262,605,505	857	641,569	557,848	264,137,033	557,376	263,951,547	472	185,486
Total statutory adjustments	171,290	2,542,167	171,127	2,539,643	163	2,524	174,165	2,526,677	174,098	2,525,389	67	1,288
Employee business expense	18,478	138,041	18,470	137,874	8	167	17,770	132,578	17,766	132,433	4	146
Payments to IRA	60,086	175,872	60,025	175,725	61	147	63,119	184,557	63,098	184,500	21	57
Payments to a Keogh plan	64,602	1,491,768	64,580	1,491,375	22	392	64,761	1,479,676	64,751	1,479,462	10	214
Expanded income	539,966	267,335,219	539,110	267,224,874	856	110,345	557,848	274,803,167	557,376	274,592,047	472	211,120
Investment interest per adjusted gross income concept	420,099	6,940,934	419,360	6,388,057	739	552,877	424,293	5,778,743	424,000	5,715,047	293	63,697
Investment interest per alternative income concept	420,099	6,940,934	419,360	6,388,057	739	552,877	426,183	5,841,532	425,890	5,776,707	293	64,825
Total tax preferences excluded from adjusted gross income	309,821	14,995,327	309,457	14,964,914	364	30,413	342,322	20,192,220	342,035	20,099,661	287	92,559
Adjusted gross income	539,967	260,704,907	539,110	260,065,861	857	639,046	557,848	261,610,356	557,376	261,426,158	472	184,199

Footnote(s) at end of table

Table 5—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	539,143	3,059,641	†	†	†	†	556,974	3,095,855	556,502	3,093,601	472	2,254
Itemized deductions												
Total per adjusted gross income concept	528,932	42,593,674	528,128	41,801,414	804	792,260	545,677	42,096,650	545,295	41,871,434	382	225,216
Total per alternative income concept	528,932	42,593,674	528,128	41,801,414	804	792,260	545,659	36,593,028	545,278	36,431,737	381	161,291
Contributions deduction	514,664	8,360,151	513,939	8,301,271	725	58,880	531,816	8,737,318	531,478	8,707,954	338	29,363
Interest paid deduction												
Total per adjusted gross income concept	475,544	13,450,406	474,774	12,839,661	770	610,745	484,029	12,196,913	483,681	12,092,486	348	104,428
Total per alternative income concept	475,544	13,450,406	474,774	12,839,661	770	610,745	399,837	7,059,133	399,536	7,018,500	301	40,633
Total home mortgage interest	394,289	6,433,176	393,693	6,398,560	596	34,616	395,837	6,349,250	395,548	6,326,036	289	23,215
Medical and dental expense deduction	7,462	261,726	7,430	256,407	32	5,318	11,651	407,463	11,626	402,806	25	4,656
Net casualty or theft loss deduction	805	101,676	766	67,079	39	34,597	934	118,154	817	70,719	117	47,434
Taxes paid deduction	525,880	18,527,498	525,118	18,488,986	762	38,512	542,817	18,778,651	542,463	18,766,845	354	11,806
Net limited miscellaneous deductions	85,185	1,521,621	84,872	1,501,784	313	19,837	93,208	1,517,670	93,053	1,512,853	155	4,817
Non limited miscellaneous deductions	16,547	263,771	16,423	239,435	124	24,336	18,776	259,976	18,673	237,294	103	22,682
Moving expenses deduction	11,732	106,825	11,726	106,790	6	35	9,790	80,505	9,785	80,476	5	29
Excess of exemptions and deductions over adjusted gross income	2,606	540,842	1,907	333,911	699	206,931	3,049	448,933	2,702	357,728	347	91,206
Taxable income	537,360	215,559,222	537,203	215,510,133	157	49,089	554,773	216,832,559	554,649	216,784,592	124	47,968
Tax at normal rates	537,347	78,160,791	537,202	78,141,674	145	19,116	554,765	78,535,048	554,648	78,516,267	117	18,781
Income tax before credits	537,348	72,221,543	537,203	72,203,034	145	18,509	554,770	72,561,701	554,653	72,543,519	117	18,182
Tax credits												
Total	120,129	875,366	119,984	856,857	145	18,509	125,122	876,444	125,005	858,262	117	18,182
Personal credits	28,273	15,579	28,260	15,569	13	10	27,460	15,145	27,453	15,141	7	4
Non personal credits	96,645	859,787	96,501	841,289	144	18,499	102,386	861,299	102,269	843,121	117	18,178
Foreign tax credit	61,657	546,048	61,540	527,739	117	18,309	66,693	548,469	66,585	530,439	108	18,031
Business credit	34,765	288,835	34,738	288,748	27	87	35,506	287,666	35,498	287,622	8	44
Alternative minimum tax (Form 6251)	29,973	866,874	29,973	866,874	—	—	35,223	988,834	35,223	988,834	—	—
Total income tax												
Taxes paid to the U S	539,110	72,213,051	539,110	72,213,051	—	—	557,376	72,674,091	557,376	72,674,091	—	—
Foreign taxes paid	—	—	—	—	—	—	—	—	—	—	—	—
Taxable income which would yield												
Income tax before credits	537,348	200,133,786	537,203	200,084,764	145	49,022	554,770	201,321,948	554,653	201,274,030	117	47,918
Income tax after credits	537,004	197,883,768	537,004	197,883,768	—	—	554,452	199,070,141	554,452	199,070,141	—	—
Total income tax	539,110	200,152,237	539,110	200,152,237	—	—	557,376	201,666,679	557,376	201,666,679	—	—

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 6—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	442,610	112,913,063	442,169	112,843,502	441	69,561	442,125	111,753,921	441,961	111,710,403	164	43,518
Business or profession												
Net income	106,030	11,873,570	105,875	11,852,560	155	21,009	108,201	11,867,673	108,146	11,857,343	55	10,330
Net loss	46,559	1,685,169	46,357	1,632,056	202	53,114	46,739	1,665,254	46,570	1,644,601	169	20,653
Farm.												
Net income	8,255	469,209	8,237	467,453	18	1,756	8,736	469,122	8,732	468,985	4	137
Net loss	22,254	1,221,360	22,174	1,203,873	80	17,487	22,061	1,242,572	22,033	1,230,344	28	12,228
Partnership and S Corporation net income after Section 179 property deduction												
Net income	184,927	36,401,879	184,800	36,378,033	127	23,846	189,330	36,474,855	189,275	36,458,785	55	16,070
Net loss	204,451	11,932,593	203,958	11,576,038	493	356,555	207,816	11,877,755	207,582	11,756,624	234	121,132
Sales of capital assets.												
Net gain	354,371	69,328,005	353,872	69,017,248	499	310,757	368,801	69,494,783	368,567	69,399,471	234	95,311
Net loss	97,092	236,418	96,918	235,927	174	491	100,964	248,112	100,904	247,953	60	159
Sales of property other than capital assets												
Net gain	50,650	1,081,531	50,543	1,071,576	107	9,955	50,961	1,075,824	50,923	1,062,777	38	13,047
Net loss	53,503	446,909	53,398	441,012	105	5,897	56,295	457,896	56,193	455,838	102	2,057
Interest received	534,842	21,285,864	534,121	20,814,256	721	471,608	552,920	21,446,438	552,575	21,353,963	345	92,475
Tax-exempt interest	208,854	9,401,170	208,679	9,383,131	175	18,039	239,182	13,539,208	239,005	13,484,529	177	54,679
Dividends	450,774	14,894,191	450,202	14,795,277	572	98,914	470,852	15,849,774	470,586	15,824,127	266	25,647
Pensions and annuities in adjusted gross income	99,847	2,520,833	99,746	2,513,153	101	7,680	108,814	2,748,916	108,785	2,747,492	29	1,424
Rent												
Net income	105,718	3,813,201	105,563	3,798,478	155	14,723	110,189	3,947,894	110,144	3,940,039	45	7,855
Net loss (deductible and nondeductible)	143,138	3,010,991	142,870	2,988,724	268	22,267	141,760	2,894,249	141,577	2,884,961	183	9,289
Net loss (nondeductible)	96,178	725,121	96,011	721,292	167	3,830	92,540	634,824	92,425	634,327	115	497
Royalty												
Net income	44,752	1,108,187	44,623	1,102,522	129	5,665	48,731	1,163,974	48,607	1,161,917	124	2,057
Net loss	5,181	30,454	5,166	30,341	15	113	4,918	29,645	4,914	29,612	4	33
Estate or trust												
Net income	36,098	1,621,499	36,048	1,616,837	50	4,662	41,598	1,713,644	41,578	1,712,923	20	722
Net loss	8,767	170,741	8,743	169,076	24	1,665	9,299	168,611	9,292	168,482	7	129
State income tax refunds	292,066	1,549,799	291,815	1,544,731	251	5,068	297,625	1,574,750	297,541	1,572,262	84	2,488
Windfall profit tax refunds	3,257	4,240	3,249	4,239	8	1	3,945	4,295	3,944	4,294	1	1
Windfall profit tax withheld	6,517	2,282	6,493	2,260	24	22	6,959	2,295	6,942	2,281	17	15
Alimony received	1,777	149,460	†	†	†	†	1,692	146,620	1,692	146,620	—	—
Social security benefits in adjusted gross income	90,650	544,145	90,539	543,500	111	645	109,233	668,370	109,181	668,084	52	286
Unemployment compensation	2,920	6,428	†	†	†	†	2,687	5,931	2,685	5,921	2	10
Other income	114,038	2,663,948	113,848	2,642,729	190	21,219	116,516	2,661,101	116,440	2,645,490	76	15,611
Other loss	9,296	806,445	9,198	779,709	98	26,737	9,510	832,611	9,475	803,733	35	28,877
Total income	539,967	263,247,074	539,227	262,660,219	740	586,855	557,848	264,137,033	557,484	264,004,119	364	132,914
Total statutory adjustments	171,290	2,542,167	171,157	2,540,086	133	2,081	174,165	2,526,677	174,125	2,525,825	40	852
Employee business expense	18,478	138,041	18,471	137,879	7	161	17,770	132,578	17,767	132,438	3	140
Payments to an IRA	60,086	175,872	60,040	175,762	46	110	63,119	184,557	63,110	184,531	9	26
Payments to a Keogh plan	64,602	1,491,768	64,582	1,491,418	20	350	64,761	1,479,676	64,753	1,479,504	8	172
Expanded income	539,966	267,335,219	539,227	267,280,632	739	54,587	557,848	274,803,167	557,484	274,646,649	364	156,518
Investment interest per adjusted gross income concept	420,099	6,940,934	419,413	6,390,708	686	550,225	424,293	5,778,743	424,044	5,716,714	249	62,029
Investment interest per alternative income concept	420,099	6,940,934	419,413	6,390,708	686	550,225	426,183	5,841,532	425,934	5,778,375	249	63,157
Total tax preferences excluded from adjusted gross income	309,821	14,995,327	309,492	14,969,270	329	26,057	342,322	20,192,220	342,065	20,104,010	257	88,210
Adjusted gross income	539,967	260,704,907	539,227	260,120,133	740	584,774	557,848	261,610,356	557,484	261,478,294	364	132,062

Footnote(s) at end of table

Table 6—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income $200,000 or more						Returns with expanded income $200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	539,143	3,059,641	†	†	†	†	556,974	3,095,855	556,610	3,094,165	364	1,690
Itemized deductions												
Total per adjusted gross income concept	528,932	42,593,674	528,192	41,806,750	740	786,923	545,677	42,096,650	545,350	41,875,484	327	221,166
Total per alternative income concept	528,932	42,593,674	528,192	41,806,750	740	786,923	545,659	36,593,028	545,333	36,434,098	326	158,930
Contributions deduction	514,664	8,360,151	513,989	8,301,942	675	58,209	531,816	8,737,318	531,519	8,708,607	297	28,711
Interest paid deduction:												
Total per adjusted gross income concept	475,544	13,450,406	474,836	12,843,606	708	606,800	484,029	12,196,913	483,734	12,095,225	295	101,688
Total per alternative income concept	475,544	13,450,406	474,836	12,843,606	708	606,800	399,837	7,059,133	399,577	7,019,601	260	39,532
Total home mortgage interest	394,289	6,433,176	393,739	6,399,722	550	33,454	395,837	6,349,250	395,586	6,326,992	251	22,258
Medical and dental expense deduction	7,462	261,726	7,430	256,407	32	5,318	11,651	407,463	11,626	402,806	25	4,656
Net casualty or theft loss deduction	805	101,676	766	67,079	39	34,597	934	118,154	817	70,719	117	47,434
Taxes paid deduction	525,880	18,527,498	525,169	18,489,399	711	38,099	542,817	18,778,651	542,506	18,767,206	311	11,445
Net limited miscellaneous deductions	85,185	1,521,621	84,880	1,501,914	305	19,707	93,208	1,517,670	93,058	1,512,974	150	4,696
Non-limited miscellaneous deductions	16,547	263,771	16,448	239,601	99	24,171	18,776	259,976	18,695	237,458	81	22,518
Moving expenses deduction	11,732	106,825	†	†	†	†	9,790	80,505	9,789	80,489	1	17
Excess of exemptions and deductions over adjusted gross income	2,606	540,842	1,907	333,911	699	206,931	3,049	448,933	2,702	357,728	347	91,206
Taxable income	537,360	215,559,222	537,320	215,558,398	40	825	554,773	216,832,559	554,757	216,832,041	16	519
Tax at normal rates	537,347	78,160,791	537,319	78,160,590	28	200	554,765	78,535,048	554,756	78,534,896	9	152
Income tax before credits	537,348	72,221,543	537,320	72,221,348	28	194	554,770	72,561,701	554,761	72,561,552	9	149
Tax credits												
Total	67,789	329,318	67,761	329,124	28	194	68,026	327,974	68,017	327,825	9	149
Personal credits	28,273	15,579	28,266	15,570	7	8	27,460	15,145	27,458	15,143	2	2
Non personal credits	42,248	313,740	42,221	313,553	27	186	43,284	312,829	43,275	312,682	9	147
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credits	34,765	288,835	34,740	288,752	25	83	35,506	287,666	35,498	287,622	8	44
Alternative minimum tax (Form 6251)	29,973	866,874	29,973	866,874	—	—	35,223	988,834	35,223	988,834	—	—
Total income tax												
Taxes paid to the U S	539,227	72,759,099	539,227	72,759,099	—	—	557,484	73,222,561	557,484	73,222,561	—	—
Foreign taxes paid	61,657	546,048	61,657	546,048	—	—	66,693	548,469	66,693	548,469	—	—
Taxable income which would yield												
Income tax before credits	537,348	200,132,259	537,320	200,131,455	28	804	554,770	201,320,434	554,761	201,319,919	9	515
Income tax after credits	537,320	199,288,765	537,320	199,288,765	—	—	554,757	200,479,938	554,757	200,479,938	—	—
Total income tax	539,227	201,549,884	539,227	201,549,884	—	—	557,484	203,069,326	557,484	203,069,326	—	—

† Data deleted to avoid disclosure of information for specific taxpayers Deleted data are included in the appropriate totals
NOTE Detail may not add to total because of rounding

Table 7—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect: Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns With Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**531,116**	**100.0**	**148,522**	**28.0**	**249,902**	**47.1**	**45,186**	**8.5**	**2,856**	**0.5**	**366**	**0.1**
Interest paid deduction	166,482	31.3	—	—	124,809	49.9	10,221	22.6	380	13.3	18	4.9
Taxes paid deduction	175,262	33.0	108,102	72.8	—	—	28,072	62.1	1,259	44.1	270	73.8
Contributions deduction	115,180	21.7	18,742	12.6	87,783	35.1	—	—	634	22.2	25	6.8
Medical and dental expense deduction	1,981	0.4	152	0.1	1,020	0.4	687	1.5	—	—	—	—
Net casualty or theft loss deduction	170	( )	25	( )	84	( )	—	—	—	—	—	—
Total miscellaneous deduction	15,977	3.0	3,575	2.4	8,440	3.4	1,823	4.0	583	20.4	—	—
Foreign tax credit	2,774	0.5	220	0.1	1,913	0.8	151	0.3	—	—	50	13.7
Business credit	5,002	0.9	1,567	1.1	2,118	0.8	263	0.6	—	—	—	—
All other tax credits	1,134	0.2	353	0.2	659	0.3	5	( )	—	—	—	—
Partnership and S Corporation net losses	42,805	8.1	15,557	10.5	21,887	8.8	3,929	8.7	—	—	3	0.8
No second largest item	4,349	0.8	229	0.2	1,189	0.5	35	0.1	—	—	—	—
Returns with expanded income $200,000 or more												
Total	**547,847**	**100.0**	**108,858**	**19.9**	**285,943**	**52.2**	**56,550**	**10.3**	**4,990**	**0.9**	**468**	**0.1**
Interest paid deduction	150,242	27.4	—	—	118,631	41.5	8,832	15.6	347	7.0	54	11.5
Taxes paid deduction	168,123	30.7	82,332	75.6	—	—	36,576	64.7	2,459	49.3	327	69.9
Contributions deduction	145,414	26.5	14,043	12.9	117,719	41.2	—	—	1,550	31.1	26	5.6
Medical and dental expense deduction	3,022	0.6	100	0.1	1,591	0.6	1,171	2.1	—	—	—	—
Net casualty or theft loss deduction	122	( )	25	( )	87	( )	—	—	—	—	—	—
Total miscellaneous deduction	18,367	3.4	1,122	1.0	11,559	4.0	3,370	6.0	583	11.7	—	—
Foreign tax credit	3,453	0.6	133	0.1	2,497	0.9	173	0.3	—	—	50	10.7
Business credit	4,956	0.9	833	0.8	2,385	0.8	296	0.5	—	—	—	—
All other tax credits	1,459	0.3	352	0.3	843	0.3	5	( )	—	—	—	—
Partnership and S Corporation net losses	45,383	8.3	9,830	9.0	28,228	9.9	5,767	10.2	51	1.0	11	2.4
No second largest item	7,306	1.3	88	0.1	2,403	0.8	360	0.6	—	—	—	—
Returns Without Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**857**	**100.0**	**503**	**58.7**	**†**	**†**	**20**	**2.3**	**19**	**2.2**	**32**	**3.7**
Interest paid deduction	208	24.3	—	—	†	†	†	†	3	15.8	12	37.5
Taxes paid deduction	152	17.7	124	24.7	—	—	—	—	4	21.1	10	31.3
Contributions deduction	133	15.5	112	22.3	—	—	—	—	5	26.3	†	†
Medical and dental expense deduction	†	†	†	†	—	—	†	†	—	—	†	†
Net casualty or theft loss deduction	†	†	†	†	—	—	—	—	—	—	—	—
Total miscellaneous deduction	44	5.1	33	6.6	—	—	—	—	7	36.8	†	†
Foreign tax credit	4	0.5	3	0.6	—	—	—	—	—	—	—	—
Business credit	7	0.8	5	1.0	—	—	†	†	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	245	28.6	220	43.7	†	†	†	†	—	—	5	15.6
No second largest item	58	6.8	3	0.6	—	—	—	—	—	—	†	†
Returns with expanded income $200,000 or more												
Total	**463**	**100.0**	**59**	**12.7**	**4**	**0.9**	**37**	**8.0**	**17**	**3.7**	**115**	**24.8**
Interest paid deduction	105	22.7	—	—	—	—	16	43.2	1	5.9	7	6.1
Taxes paid deduction	67	14.5	20	33.9	—	—	11	29.7	4	23.5	11	9.6
Contributions deduction	48	10.4	19	32.2	2	50.0	—	—	5	29.4	2	1.7
Medical and dental expense deduction	2	0.4	—	—	—	—	1	2.7	—	—	1	0.9
Net casualty or theft loss deduction	1	0.2	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	15	3.2	2	3.4	—	—	2	5.4	7	41.2	3	2.6
Foreign tax credit	4	0.9	1	1.7	—	—	1	2.7	—	—	—	—
Business credit	2	0.4	—	—	—	—	1	2.7	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	132	28.5	16	27.1	2	50.0	5	13.5	—	—	90	78.3
No second largest item	87	18.8	1	1.7	—	—	—	—	—	—	1	0.9

Footnote(s) at end of table

Table 7—Returns With and Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—continued									
	Total miscellaneous deduction		Foreign tax credit		Business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns With Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**9,597**	**1.8**	**5,175**	**1.0**	**3,851**	**0.7**	**554**	**0.1**	**65,107**	**12.3**
Interest paid deduction	2,953	30.8	1,772	34.2	1,309	34.0	182	32.9	24,838	38.1
Taxes paid deduction	4,164	43.4	1,358	26.2	1,540	40.0	270	48.7	30,227	46.4
Contributions deduction	1,334	13.9	406	7.8	263	6.8	88	15.9	5,905	9.1
Medical and dental expense deduction	62	0.6	—	—	—	—	—	—	60	0.1
Net casualty or theft loss deduction	51	0.5	†	†	†	†	—	—	—	—
Total miscellaneous deduction	—	—	212	4.1	108	2.8	—	—	1,236	1.9
Foreign tax credit	13	0.1	—	—	118	3.1	†	†	307	0.5
Business credit	—	—	77	1.5	—	—	†	†	976	1.5
All other tax credits	—	—	†	†	†	†	—	—	114	0.2
Partnership and S Corporation net losses	921	9.6	281	5.4	226	5.9	†	†	—	—
No second largest item	99	1.0	1,059	20.5	284	7.4	10	1.8	1,444	2.2
Returns with expanded income $200,000 or more										
Total	**6,862**	**1.3**	**5,598**	**1.0**	**4,385**	**0.8**	**558**	**0.1**	**73,635**	**13.4**
Interest paid deduction	850	12.4	1,213	21.7	898	20.5	28	5.0	19,389	26.3
Taxes paid deduction	3,399	49.5	1,674	29.9	2,102	47.9	300	53.8	38,954	52.9
Contributions deduction	1,605	23.4	448	8.0	494	11.3	115	20.6	9,414	12.8
Medical and dental expense deduction	62	0.9	—	—	—	—	—	—	98	0.1
Net casualty or theft loss deduction	—	—	8	0.1	2	( )	—	—	—	—
Total miscellaneous deduction	—	—	159	2.8	111	2.5	—	—	1,463	2.0
Foreign tax credit	65	0.9	—	—	118	2.7	2	0.4	415	0.6
Business credit	4	0.1	79	1.4	—	—	1	0.2	1,358	1.8
All other tax credits	—	—	5	0.1	13	0.3	—	—	241	0.3
Partnership and S Corporation net losses	775	11.3	462	8.3	258	5.9	1	0.2	—	—
No second largest item	102	1.5	1,550	27.7	389	8.9	111	19.9	2,303	3.1
Returns Without Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**45**	**5.3**	**107**	**12.5**	**—**	**—**	**†**	**†**	**125**	**14.6**
Interest paid deduction	20	44.4	39	36.4	—	—	—	—	115	92.0
Taxes paid deduction	7	15.6	5	4.7	—	—	—	—	†	†
Contributions deduction	5	11.1	†	†	—	—	—	—	6	4.8
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	†	†	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	†	†	—	—	—	—	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	†	†
Business credit	†	†	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	†	†	10	9.3	—	—	†	†	—	—
No second largest item	6	13.3	48	44.9	—	—	—	—	—	—
Returns with expanded income $200,000 or more										
Total	**45**	**9.7**	**103**	**22.2**	**—**	**—**	**1**	**0.2**	**82**	**17.7**
Interest paid deduction	14	31.1	31	30.1	—	—	—	—	36	43.9
Taxes paid deduction	10	22.2	7	6.8	—	—	—	—	4	4.9
Contributions deduction	5	11.1	4	3.9	—	—	—	—	11	13.4
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	1	2.2	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	1	1.0	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	2	2.4
Business credit	1	2.2	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	8	17.8	10	9.7	—	—	1	100.0	—	—
No second largest item	6	13.3	50	48.5	—	—	—	—	29	35.4

( ) Less than 0.05 percent
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals
NOTE: Detail may not add to total because of rounding

Table 8—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect											
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns With Modified Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**530,126**	**100.0**	**150,339**	**28.4**	**251,265**	**47.4**	**45,598**	**8.6**	**2,856**	**0.5**	**374**	**0.1**
Interest paid deduction	166,595	31.4	—	—	126,091	50.2	10,478	23.0	380	13.3	18	4.8
Taxes paid deduction	175,776	33.2	109,551	72.9	—	—	28,173	61.8	1,259	44.1	328	87.7
Contributions deduction	116,438	22.0	19,025	12.7	89,079	35.5	—	—	634	22.2	25	6.7
Medical and dental expense deduction	2,040	0.4	153	0.1	1,078	0.4	687	1.5	—	—	—	—
Net casualty or theft loss deduction	162	(*)	25	(*)	84	(*)	—	—	—	—	—	—
Total miscellaneous deduction	16,424	3.1	3,704	2.5	8,828	3.5	1,945	4.3	583	20.4	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	4,975	0.9	1,569	1.0	2,133	0.8	264	0.6	—	—	—	—
All other tax credits	1,142	0.2	357	0.2	660	0.3	5	(*)	—	—	—	—
Partnership and S Corporation net losses	42,835	8.1	15,697	10.4	21,978	8.7	4,004	8.8	—	—	3	0.8
No second largest item	3,739	0.7	258	0.2	1,334	0.5	42	0.1	—	—	—	—
Returns with expanded income $200,000 or more												
Total	**546,355**	**100.0**	**110,103**	**20.2**	**287,624**	**52.6**	**57,004**	**10.4**	**4,990**	**0.9**	**476**	**0.1**
Interest paid deduction	150,626	27.6	—	—	119,821	41.7	9,019	15.8	347	7.0	54	11.3
Taxes paid deduction	168,063	30.8	83,329	75.7	—	—	36,777	64.5	2,459	49.3	385	80.9
Contributions deduction	147,319	27.0	14,217	12.9	119,796	41.7	—	—	1,550	31.1	26	5.5
Medical and dental expense deduction	3,080	0.6	100	0.1	1,649	0.6	1,171	2.1	—	—	—	—
Net casualty or theft loss deduction	114	(*)	25	(*)	87	(*)	—	—	—	—	—	—
Total miscellaneous deduction	18,868	3.5	1,237	1.1	11,895	4.1	3,503	6.1	583	11.7	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	4,940	0.9	834	0.8	2,409	0.8	297	0.5	—	—	—	—
All other tax credits	1,514	0.3	355	0.3	895	0.3	5	(*)	—	—	—	—
Partnership and S Corporation net losses	45,233	8.3	9,894	9.0	28,392	9.9	5,845	10.3	51	1.0	11	2.3
No second largest item	6,598	1.2	112	0.1	2,680	0.9	387	0.7	—	—	—	—
Returns Without Modified Total Income Tax												
Returns with adjusted gross income $200,000 or more												
Total	**740**	**100.0**	**497**	**67.2**	†	†	**18**	**2.4**	**19**	**2.6**	**32**	**4.3**
Interest paid deduction	166	22.4	—	—	†	†	†	†	3	15.8	12	37.5
Taxes paid deduction	147	19.9	124	24.9	—	—	—	—	4	21.1	10	31.3
Contributions deduction	128	17.3	111	22.3	—	—	—	—	5	26.3	†	†
Medical and dental expense deduction	†	†	†	†	—	—	†	†	—	—	†	†
Net casualty or theft loss deduction	†	†	†	†	—	—	—	—	—	—	—	—
Total miscellaneous deduction *	43	5.8	33	6.6	—	—	—	—	7	36.8	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	7	0.9	5	1.0	—	—	†	†	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	233	31.5	218	43.9	†	†	†	†	—	—	5	15.6
No second largest item	10	1.4	3	0.6	—	—	—	—	—	—	†	†
Returns with expanded income $200,000 or more												
Total	**355**	**100.0**	**58**	**16.3**	**4**	**1.1**	**35**	**9.9**	**17**	**4.8**	**115**	**32.4**
Interest paid deduction	74	20.8	—	—	—	—	16	45.7	1	5.9	7	6.1
Taxes paid deduction	60	16.9	20	34.5	—	—	11	31.4	4	23.5	11	9.6
Contributions deduction	44	12.4	19	32.8	2	50.0	—	—	5	29.4	2	1.7
Medical and dental expense deduction	2	0.6	—	—	—	—	1	2.9	—	—	1	0.9
Net casualty or theft loss deduction	1	0.3	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	14	3.9	2	3.4	—	—	2	5.7	7	41.2	3	2.6
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	2	0.6	—	—	—	—	1	2.9	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	121	34.1	16	27.6	2	50.0	4	11.4	—	—	90	78.3
No second largest item	37	10.4	1	1.7	—	—	—	—	—	—	1	0.9

Footnote(s) at end of table

Table 8—Returns With and Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—Continued: Total miscellaneous deduction		Foreign tax credit		Business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns With Modified Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**9,810**	**1.9**	**—**	**—**	**3,928**	**0.7**	**556**	**0.1**	**65,400**	**12.3**
Interest paid deduction	3,019	30.8	—	—	1,323	33.7	182	32.7	25,104	38.4
Taxes paid deduction	4,245	43.3	—	—	1,648	42.0	272	48.9	30,300	46.3
Contributions deduction	1,391	14.2	—	—	274	7.0	88	15.8	5,922	9.1
Medical and dental expense deduction	62	0.6	—	—	—	—	—	—	60	0.1
Net casualty or theft loss deduction	51	0.5	—	—	†	†	—	—	—	—
Total miscellaneous deduction	—	—	—	—	108	2.7	—	—	1,256	1.9
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	16	0.2	—	—	—	—	†	†	992	1.5
All other tax credits	—	—	—	—	†	†	—	—	119	0.2
Partnership and S Corporation net losses	926	9.4	—	—	226	5.8	†	†	—	—
No second largest item	100	1.0	—	—	346	8.8	†	†	1,647	2.5
Returns with expanded income $200,000 or more										
Total	**7,022**	**1.3**	**—**	**—**	**4,464**	**0.8**	**563**	**0.1**	**74,109**	**13.6**
Interest paid deduction	913	13.0	—	—	910	20.4	28	5.0	19,534	26.4
Taxes paid deduction	3,477	49.5	—	—	2,212	49.6	302	53.6	39,122	52.8
Contributions deduction	1,666	23.7	—	—	505	11.3	116	20.6	9,443	12.7
Medical and dental expense deduction	62	0.9	—	—	—	—	—	—	98	0.1
Net casualty or theft loss deduction	—	—	—	—	2	( )	—	—	—	—
Total miscellaneous deduction	—	—	—	—	111	2.5	—	—	1,539	2.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	20	0.3	—	—	—	—	1	0.2	1,379	1.9
All other tax credits	—	—	—	—	13	0.3	—	—	246	0.3
Partnership and S Corporation net losses	781	11.1	—	—	258	5.8	1	0.2	—	—
No second largest item	103	1.5	—	—	453	10.1	115	20.4	2,748	3.7
Returns Without Modified Total Income Tax										
Returns with adjusted gross income $200,000 or more										
Total	**45**	**6.1**	**—**	**—**	**—**	**—**	**†**	**†**	**123**	**16.6**
Interest paid deduction	20	44.4	—	—	—	—	—	—	114	92.7
Taxes paid deduction	7	15.6	—	—	—	—	—	—	†	†
Contributions deduction	5	11.1	—	—	—	—	—	—	6	4.9
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	†	†	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	—	—	—	—	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	†	†	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	†	†	—	—	—	—	†	†	—	—
No second largest item	6	13.3	—	—	—	—	—	—	—	—
Returns with expanded income $200,000 or more										
Total	**45**	**12.7**	**—**	**—**	**—**	**—**	**1**	**0.3**	**80**	**22.5**
Interest paid deduction	14	31.1	—	—	—	—	—	—	36	45.0
Taxes paid deduction	10	22.2	—	—	—	—	—	—	4	5.0
Contributions deduction	5	11.1	—	—	—	—	—	—	11	13.8
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	1	2.2	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	1	2.2	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	8	17.8	—	—	—	—	1	100.0	—	—
No second largest item	6	13.3	—	—	—	—	—	—	29	36.3

( ) Less than 0.05 percent
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals
NOTE: Detail may not add to total because of rounding

Table 9—Returns Without Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	857	53	32	15	5	3	†	†	†	90	654
Interest paid deduction:											
Total	857	87	83	23	8	12	21	19	27	223	354
Investment interest per income concept	857	118	113	42	22	20	23	26	31	220	242
Taxes paid deduction	857	95	586	101	28	17	†	9	†	†	12
Contributions deduction	857	132	470	80	41	39	61	34	—	—	—
Medical and dental expense deduction	857	825	8	—	†	†	†	4	†	6	7
Net casualty or theft loss deduction	857	818	4	†	—	—	—	†	—	10	22
Net limited miscellaneous deduction	857	544	228	45	16	8	4	3	3	3	3
Non-limited miscellaneous deduction	857	733	69	6	4	†	—	†	—	23	18
Deduction equivalent of:											
Total credits	857	712	27	4	†	3	†	†	3	104	—
Foreign tax credit	857	740	5	†	—	†	†	†	3	103	—
Business credit	857	830	22	†	—	†	—	—	—	—	—
Tax preferences excluded from adjusted gross income	857	493	241	33	30	15	9	5	9	5	17

Type of deduction or credit	Returns with expanded income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	472	94	37	17	5	2	3	5	4	156	149
Interest paid deduction:											
Total	472	172	167	22	7	5	10	7	5	48	29
Investment interest per income concept	472	182	198	23	8	7	9	5	5	8	27
Taxes paid deduction	472	120	298	31	9	7	1	3	1	—	2
Contributions deduction	472	136	169	98	9	7	11	19	5	9	9
Medical and dental expense deduction	472	447	6	1	—	1	1	3	2	6	5
Net casualty or theft loss deduction	472	355	1	1	—	—	—	—	84	12	19
Net limited miscellaneous deduction	472	317	135	11	4	1	1	—	—	3	—
Non-limited miscellaneous deduction	472	371	55	1	1	1	—	1	—	23	19
Deduction equivalent of:											
Total credits	472	355	7	2	2	2	2	2	—	99	1
Foreign tax credit	472	364	1	2	1	—	2	2	—	99	1
Business credit	472	464	6	—	1	1	—	—	—	—	—
Tax preferences excluded from adjusted gross income	472	185	67	12	38	11	4	8	2	100	45

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 10—Returns Without Modified Total Income Tax and With Income $200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	740	—	—	—	†	—	—	—	†	†	654
Interest paid deduction											
Total	740	32	45	14	5	8	19	17	27	219	354
Investment interest per income concept	740	54	73	38	20	19	22	24	31	217	242
Taxes paid deduction	740	29	536	100	28	17	†	9	†	†	12
Contributions deduction	740	65	424	79	40	39	60	33	—	—	—
Medical and dental expense deduction	740	708	8	—	†	†	†	4	†	6	7
Net casualty or theft loss deduction	740	701	4	†	—	—	—	†	—	10	22
Net limited miscellaneous deduction	740	435	222	43	16	8	4	3	3	3	3
Non-limited miscellaneous deduction	740	641	44	6	4	†	—	†	—	23	18
Deduction equivalent of											
Total credits	740	712	22	†	†	†	—	—	—	†	—
Foreign tax credit	740	740	—	—	—	—	—	—	—	—	—
Business credit	740	715	20	†	—	†	—	—	—	—	—
Tax preferences excluded from adjusted gross income	740	411	214	31	28	14	9	5	9	5	14

Type of deduction or credit	Returns with expanded income $200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	364	38	2	7	2	2	2	4	4	154	149
Interest paid deduction											
Total	364	104	137	14	7	4	9	7	5	48	29
Investment interest per income concept	364	115	162	22	6	7	9	5	5	7	26
Taxes paid deduction	364	53	258	30	9	7	1	3	1	—	2
Contributions deduction	364	67	133	97	9	7	11	18	5	8	9
Medical and dental expense deduction	364	339	6	1	—	1	1	3	2	6	5
Net casualty or theft loss deduction	364	247	1	1	—	—	—	—	84	12	19
Net limited miscellaneous deduction	364	214	132	9	4	1	1	—	—	3	—
Non-limited miscellaneous deduction	364	283	35	1	1	1	—	1	—	23	19
Deduction equivalent of											
Total credits	364	355	6	—	1	2	—	—	—	—	—
Foreign tax credit	364	364	—	—	—	—	—	—	—	—	—
Business credit	364	356	6	—	1	1	—	—	—	—	—
Tax preferences excluded from adjusted gross income	364	107	45	9	36	11	4	7	2	98	45

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 11—Returns With and Without Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**106,996,270**	**100.0**	**94,768,013**	**100.0**	**10,174,636**	**100.0**	**1,513,654**	**100.0**	**539,967**	**100.0**
Returns without total income tax	18,362,205	17 2	18,341,407	19 4	16,197	0.2	3,744	0 2	857	0 2
Returns with total income tax	88,634,065	82 8	76,426,606	80 6	10,158,439	99 8	1,509,910	99 8	539,110	99 8
Effective tax rate										
Under 5 percent	18,797,808	17 6	18,690,609	19 7	92,444	0 9	12,214	0 8	2,541	0 5
5 under 10 percent	35,477,075	33.2	34,413,768	36.3	1,035,380	10 2	24,408	1 6	3,519	0 7
10 under 15 percent	23,525,624	22 0	19,355,876	20 4	4,060,285	39 9	99,813	6 6	9,650	1 8
15 under 20 percent	7,457,532	7 0	3,282,373	3.5	3,755,517	36.9	388,532	25.7	31,110	5 8
20 under 25 percent	2,419,697	2 3	551,596	0 6	1,084,717	10 7	668,263	44 1	115,121	21 3
25 under 30 percent	675,405	0 6	58,889	0.1	108,089	1 1	281,927	18.6	226,500	41 9
30 under 35 percent	205,880	0 2	29,538	( )	11,715	0 1	31,418	2.1	133,209	24 7
35 under 40 percent	31,794	( )	14,632	( )	1,471	( )	1,477	0 1	14,214	2 6
40 under 45 percent	4,180	( )	53	( )	2,489	( )	241	( )	1,397	0.3
45 under 50 percent	3,957	( )	473	( )	2,380	( )	167	( )	937	0 2
50 under 60 percent	8,400	( )	3,632	( )	3,406	( )	787	0.1	575	0 1
60 under 70 percent	3,423	( )	2,821	( )	343	( )	91	( )	168	( )
70 under 80 percent	238	( )	84	( )	4	( )	33	( )	117	( )
80 percent or more	23,052	( )	22,262	( )	199	( )	539	( )	52	( )

Effective Tax Rate	Size of expanded income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**106,996,270**	**100.0**	**95,025,944**	**100.0**	**9,927,093**	**100.0**	**1,485,385**	**100.0**	**557,848**	**100.0**
Returns without total income tax	18,362,205	17 2	18,336,554	19.3	20,501	0 2	4,678	0.3	472	0 1
Returns with total income tax	88,634,065	82 8	76,689,390	80 7	9,906,592	99 8	1,480,707	99 7	557,376	99 9
Effective tax rate										
Under 5 percent	18,696,655	17 5	18,581,750	19 6	90,771	0 9	14,863	1 0	9,271	1 7
5 under 10 percent	35,155,635	32 9	34,227,777	36 0	884 173	8 9	35,874	2 4	7,811	1 4
10 under 15 percent	23,733,605	22 2	19,761,251	20 8	3,860,579	38 9	93,881	6.3	17,894	3 2
15 under 20 percent	7,629,148	7 1	3,390,735	3 6	3,847,432	38.8	347,373	23 4	43,608	7 8
20 under 25 percent	2,466,114	2.3	594,644	0.6	1,086,755	10.9	664,708	44 7	120,007	21 5
25 under 30 percent	680,793	0 6	58,906	0 1	113,739	1 1	290,384	19.5	217,764	39 0
30 under 35 percent	195,299	0 2	26,671	( )	12,667	0 1	29,409	2.0	126,552	22.7
35 under 40 percent	32,307	( )	14,638	( )	2,374	( )	2,659	0 2	12,636	2.3
40 under 45 percent	4,243	( )	470	( )	2,449	( )	528	( )	796	0 1
45 under 50 percent	3,948	( )	243	( )	2,527	( )	635	( )	543	0 1
50 under 60 percent	4,558	( )	2,257	( )	1,705	( )	319	( )	277	( )
60 under 70 percent	4,644	( )	3,282	( )	1,287	( )	13	( )	62	( )
70 under 80 percent	658	( )	603	( )	31	( )	12	( )	12	( )
80 percent or more	26,458	( )	26,163	( )	103	( )	49	( )	143	( )

( ) Less than 0 05 percent
[1] Returns with total income tax includes returns with income tax which is totally offset by the earned income credit
NOTE Detail may not add to total because of rounding

Table 12—Returns With and Without Modified Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts[1]

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	**106,996,270**	**100.0**	**94,768,013**	**100.0**	**10,174,636**	**100.0**	**1,513,654**	**100.0**	**539,967**	**100.0**
Returns without modified total income tax	18,329,811	17 1	18,311,278	19 3	14,555	0 1	3,238	0 2	740	0 1
Returns with modified total income tax	88,666,459	82 9	76,456,735	80 7	10,160,081	99 9	1,510,416	99 8	539,227	99 9
Effective tax rate										
Under 5 percent	18,781,961	17 6	18,683,978	19 7	88,260	0 9	8,667	0 6	1 056	0 2
5 under 10 percent	35,479,638	33 2	34,423,618	36 3	1,030,980	10 1	22,274	1 5	2,766	0 5
10 under 15 percent	23,537,539	22 0	19,374,809	20 4	4 056,576	39 9	97,045	6 4	9,109	1 7
15 under 20 percent	7,466,874	7 0	3,287,204	3.5	3,761,077	37 0	388,348	25 7	30,245	5 6
20 under 25 percent	2,430,753	2 3	554,342	0 6	1,091,492	10 7	670,478	44 3	114 441	21 2
25 under 30 percent	682,832	0 6	58,889	0 1	109,197	1 1	286,933	19 0	227,813	42 2
30 under 35 percent	210,609	0 2	29,929	( )	12,207	0 1	33,034	2 2	135,439	25 1
35 under 40 percent	32,739	( )	14,632	( )	1,471	( )	1,679	0 1	14,957	2 8
40 under 45 percent	4,325	( )	53	( )	2,489	( )	291	( )	1,492	0 3
45 under 50 percent	3,914	( )	473	( )	2,330	( )	167	( )	944	0 2
50 under 60 percent	8,552	( )	3,632	( )	3,456	( )	837	0 1	627	0 1
60 under 70 percent	3,424	( )	2,821	( )	343	( )	91	( )	169	( )
70 under 80 percent	238	( )	84	( )	4	( )	33	( )	117	( )
80 percent or more	23,061	( )	22,271	( )	199	( )	539	( )	52	( )

Effective Tax Rate	Size of expanded income									
	Total		Under $50,000		$50,000 under $100,000		$100,000 under $200,000		$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	**106,996,270**	**100.0**	**95,025,944**	**100.0**	**9,927,093**	**100.0**	**1,485,385**	**100.0**	**557,848**	**100.0**
Returns without modified total income tax	18,329,811	17 1	18,305,981	19 3	19,300	0 2	4,166	0 3	364	0 1
Returns with modified total income tax	88,666,459	82.9	76,719,963	80 7	9,907,793	99 8	1,481,219	99 7	557,484	99 9
Effective tax rate										
Under 5 percent	18,680,329	17 5	18,574,518	19 5	86,612	0 9	11,470	0 8	7,729	1 4
5 under 10 percent	35,157,354	32 9	34,237,678	36 0	879,420	8.9	33,196	2 2	7,060	1 3
10 under 15 percent	23,747,244	22 2	19,780,546	20 8	3,857,387	38 9	92,051	6 2	17,260	3 1
15 under 20 percent	7,637,009	7 1	3,396,488	3 6	3,851,670	38 8	346,120	23 3	42,731	7 7
20 under 25 percent	2,476,734	2.3	596,669	0 6	1,093,439	11 0	666,989	44 9	119,637	21 4
25 under 30 percent	689,150	0 6	58,907	0 1	115,681	1 2	295,582	19 9	218,980	39 3
30 under 35 percent	200,406	0 2	27,492	( )	13,058	0 1	31,191	2 1	128,665	23 1
35 under 40 percent	33,378	( )	14,638	( )	2,424	( )	2,912	0 2	13,404	2 4
40 under 45 percent	4,515	( )	470	( )	2,449	( )	679	( )	917	0.2
45 under 50 percent	3,958	( )	243	( )	2,527	( )	635	( )	553	0 1
50 under 60 percent	4,612	( )	2,257	( )	1,705	( )	320	( )	330	0 1
60 under 70 percent	4,645	( )	3,282	( )	1,287	( )	13	( )	63	( )
70 under 80 percent	657	( )	603	( )	31	( )	12	( )	11	( )
80 percent or more	26,468	( )	26,172	( )	103	( )	49	( )	144	( )

( ) Less than 0 05 percent

[1] Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit

NOTE Detail may not add to total because of rounding

Section 5

Explanation of Terms

The explanation of terms is designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or related regulations, procedures, or policies. Code sections cited were those in effect for 1987.

The definitions and explanations supplied in this section relate to column or stub titles in one or more tables in this report. They provide background or limitations to such titles and are necessary to interpret the statistical tables to which they relate. For each of these titles, the tax form and line number on which it is reported appears after the title. Definitions marked with the symbol # are either new or modified definitions reflecting changes in the law.

Section 6, 1987 Forms and Instructions, provides further information about many of the items in this report. The terms used in Section 4 differ substantially from those applicable to the remainder of the report and are defined separately in that section.

Adjusted Gross Income Less Deficit #
(line 30, Form 1040)

The broadest definition of gross income is all income from whatever source derived, including (but not limited to) the following:

- Compensation for services, including wages, fees, commissions, tips, fringe benefits, and similar items;
- Gross income derived from business;
- Gains derived from dealings in property;
- Interest, rents, and royalties;
- Dividends and capital gains distributions;
- Alimony and separate maintenance payments;
- Annuities, pensions, and individual retirement arrangement (IRA) distributions;
- Income from life insurance and endowment contracts;
- Distributive share of partnership gross income;
- Income from an interest in an estate or trust;
- Bartering income;
- Reimbursed business expenses;
- Amounts received that were claimed as a deduction or credit in a prior year;
- Gambling winnings;
- Prizes and awards;
- Some social security payments; and
- All unemployment compensation.

Some items are specifically excluded (completely or partially) from gross income for income tax purposes. In particular the following are excluded:

- Accident and health insurance proceeds, "Black Lung" benefits, and casualty insurance proceeds;
- Child support payments;
- Cost-of-living allowances paid to U.S. Government employees stationed outside the U.S.;
- Employment agency fees paid directly by the taxpayer's employer and relocation payments;
- Federal Employees' Compensation Act payments;
- Gifts, bequests, or inheritances;
- Life insurance proceeds;
- Employee meals and lodging provided by the employer for the convenience of the employer;
- Military allowances and payments to dependents of military personnel;
- Certain payments to a beneficiary of a deceased employee;
- Payments to reduce the cost of winter energy consumption;
- Housing allowance for members of the clergy;
- Scholarship and fellowship grants for education toward a degree;
- Certain veteran's benefits;
- Worker's compensation;
- Interest on most State or local government bonds;
- Benefit payments from public welfare funds;
- Mustering out benefits;
- Foster care receipts; and
- Some employer provided benefits including insurance and pension contributions.

Gross income is further reduced by certain deductions or exclusions to arrive at "Total Income" (line 22, Form 1040). Following is a list of such items:

- Ordinary and necessary expenses of operating a farm or business;
- Expense deductions attributable to rents, royalties, estates, trusts, and net adjustment for windfall profit tax withheld;
- Depreciation deduction allowed life tenants and income beneficiaries of property held in trust;
- Deductible losses from sales of capital assets and other property;
- Business net operating loss deductions;
- Exclusion of the cost basis of pension, annuity, or IRA payments or distributions;
- Limited exclusion of railroad retirement pension income;
- Limited exclusion of social security benefits;
- Limited exclusion of qualified foreign earned income;
- One-time exclusion of gain from sale of principal residence by individuals who are 55 years or older; and
- Employer contributions to simplified employee pension plans.

From Total Income (line 22 on Form 1040) the following statutory adjustments (lines 23 through 28 on Form 1040) are subtracted to arrive at Adjusted Gross Income (line 30); a Deficit occurs if the allowable exclusions and deductions exceed gross income:

- Reimbursed employee business expenses;
- Contributions to self-employed retirement plans (Keogh or simplified employee pension (SEP)) and to individual retirement arrangements (IRA's) by eligible persons;
- Forfeited interest penalties incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- Self-employed health insurance deduction;
- Forestation or reforestation expenses;
- Foreign housing exclusion; and
- Repayments of supplemental unemployment compensation received under the Trade Act of 1974.

Adjustments

See "Statutory Adjustments."

Advance Earned Income Credit Payments
(included in the total on line 53, Form 1040)

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could receive the credit from their employers as an additional payment in their paychecks during the year. Those payments were then shown on the tax return (line 53 total on Form 1040) where they became either an increase to balance due or a reduction of overpayment. (See also "All Other Taxes.")

Alimony
(lines 12, 28, Form 1040)

Payments received as alimony or separate maintenance were income to the person receiving them and a deduction (an adjustment to gross income) for the person paying them if the payments were:

(1) required under the terms of a decree of divorce or separate maintenance, or a written instrument incident to that decree;

(2) paid in discharge of a legal obligation based on the marital relationship; or

(3) paid after the decree and on a periodic basis.

All Other Taxes
(lines 48,50,51,52,53, Form 1040)

For purposes of this report, this amount represents the sum of the self-employment tax, tax from recomputing of prior-year investment credit, social security taxes on tip income, any penalty taxes on individual retirement arrangements (IRA's) or other qualified retirement plans, and other unspecified taxes which included uncollected tax on tips, excess "golden parachute" payments, and section 72 penalty taxes. This was in contrast to the "other taxes" portion of the Form 1040 itself, which was composed of the taxes listed above plus the alternative minimum tax and the advance earned income credit payments received. Alternative minimum tax is tabulated in this report as part of "total income tax" and is one of the criteria for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing total tax liability, balance due, or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax".)

All Other Taxpayments
(lines 57-60, Form 1040)

"All other taxpayments" included the tax paid with requests for a filing extension, excess social security or railroad retirement tax, credit for tax on gasoline and special fuels, and the credit for tax paid on undistributed capital gains by a regulated investment company.

Alternative Minimum Tax #
(line 49, Form 1040)

The Internal Revenue Code provides for special treatment of certain kinds of income and allows special deductions for certain expenses. To ensure that taxpayers who benefit from these provisions will pay at least a minimum amount of tax, a special alternative tax was enacted.

The alternative minimum tax was levied on benefits received in the form of deductions and exclusions which reduced an individual's regular effective tax rate. These benefits are known as "alternative minimum tax preferences and adjustments" because they result from the preferential treatment that the tax law gives to particular income and expense items.

Alternative minimum taxable income (line 8, Form 6251) was defined as taxable income plus adjustments and tax preference items. Alternative minimum taxable income was then reduced by an exemption amount determined by filing status. If the return was filed jointly by a married couple or a surviving spouse, the amount was $40,000. The amount for single or head of household taxpayers was $30,000, and for married couples filing separately, $20,000.

If there was an amount remaining after subtracting the exemption, it was multiplied by the alternative minimum tax rate of 21 percent and then reduced by the foreign tax credit (limited, in general, to 90 percent of the tax). This amount was then reduced by the regular income tax before credits (line 37, Form 1040 minus the regular foreign tax credit, line 44, Form 1040) to arrive at the alternative minimum tax.

Business or Profession Net Income or Loss
(line 13, Form 1040)

This source of income was reported by individuals who were sole proprietors of a nonfarm business, including self-employed members of a profession.

When there were two or more sole proprietorships operated by the same taxpayer(s), the single amount of net income or loss included in adjusted gross income represented the combined net income and loss from all sole proprietorships. The proprietor was required to exclude investment income from business profits and to include it, instead, with the various types of investment income for which separate provision was made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net income. The deduction of net operating losses from other years was not considered a business expense, but was offset, instead, against "other income" on the proprietor's income tax return.

Information on sole proprietorships, business receipts, and expenditures can be found in the annual summer issue of the Statistics of Income Bulletin.

Capital Assets

See "Sales of Capital Assets Net Gain or Loss."

Capital Gains and Losses

See "Sales of Capital Assets Net Gain or Loss."

Casualty or Theft Loss, Nonbusiness #
(line 18, Schedule A)

Nonbusiness casualty and theft losses were deductible from adjusted gross income to the extent that the nonreimbursable net loss for each such casualty or theft exceeded $100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income. A theft was considered to be the unlawful taking and removing of money or property with the intent of depriving the owner of its use. A casualty was defined as a complete or partial destruction of property resulting from an identifiable event of a sudden, unexpected, or unusual nature, such as a fire or storm. Beginning with 1987 a deduction for a casualty or theft loss covered by insurance could not be claimed unless a timely insurance claim for reimbursement was made.

Casualty and theft gains and losses were required to be netted. Net gains were realized if total reimbursements (such as insurance payments) exceeded total cost or fair market value for the items. Such net gains were required to be treated as capital gains and reported on Schedule D. Depending on the holding period for the lost asset, the net gains reported on Schedule D were treated as either short- or long-term capital gains.

Child Care Credit
(line 40, Form 1040)

This credit was claimed by taxpayers who, while employed, incurred expenses for the care of dependent children under age 15 or disabled dependents. Qualifying expenses included those for services performed within the home by nondependent babysitters, maids, or cooks. Expenditures paid for the care of children under the age of 15 or any other qualified individuals for out-of-home non-institutional care qualified for the child care credit.

The maximum amount of employment-related expenses to which the credit could be applied was the lesser of earned income or $2,400 if one qualifying child or dependent was involved and the lesser of earned income or $4,800 if more than one dependent was involved. The credit was equal to 30 percent of employment-related expenses for taxpayers with adjusted gross income of $10,000 or less. The credit was reduced by one percentage point for each $2,000 increment of adjusted gross income in excess of $10,000 up to $28,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income of $28,000 or more.

The amount of the credit which could be claimed was limited to income tax before credits, and any excess was not refundable.

Contributions Deduction #
(line 17, Schedule A)

Taxpayers could deduct contributions to organizations that were religious, charitable, educational, scientific, or literary in purpose. Contributions could be in cash, property, or out-of-pocket expenses that a taxpayer paid to do volunteer work for a qualified organization. For 1987 contributions were allowed only as an itemized deduction on Schedule A.

Cash contributions to a single organization of more than $3,000 were reported separately from other cash contributions, and these data are shown separately in Table 2.1. The total contributions were limited, in general, to 50 percent of adjusted gross income.

Credit for Tax on Certain Gasoline and Special Fuels (line 59, Form 1040)

This was a credit allowed in full or in stated amounts for Federal excise taxes paid on gasoline and special fuels, such as gasahol and diesel fuel, if they were used for: (1) farming purposes, (2) operation of public passenger land transportation services (operators of qualified taxicabs), (3) operation of inter-city, local, or school buses, (4) non-highway purposes of a trade or business, or (5) operation of qualified diesel-powered highway vehicles. These taxes could be applied as a credit to reduce unpaid total tax liability when the individual return was filed (with any amount in excess of total tax liability refunded) or refunded during the taxable year if the credit for any fuel category or any lubricating oil in any of the first three-quarters of the year was at least $1,000. A one-time credit (or refund) was allowed to the purchaser of a new qualified diesel-powered highway vehicle after January 1, 1985. The credit amount was $198 for a truck or van and $102 for any other vehicle, and any such credit reduced the basis of the vehicle for depreciation or capital gain purposes.

Credit for the Elderly and Permanently and Totally Disabled (line 41, Form 1040)

A credit (claimed on Schedule R) for the elderly and permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations) and to those taxpayers under age 65, retired with a permanent and total disability, and who had received taxable income from a public or private employer because of that disability. An individual was considered permanently and totally disabled if he or she was medically determined to be "unable to engage in any substantial gainful activity because of a physical or mental impairment which could result in death or last 12 continuous months or more."

Individuals, age 65 or older, determined the base amount of income on which to figure the credit from an allowable amount of income classified by filing status and age. The classifications were grouped as follows:

Base Amount	Filing Status
$5,000	Single and 65 or over or disabled; married filing jointly with only one spouse either 65 or over or retired on disability,
$7,500	Married filing jointly with both spouses either 65 or over or retired on disability, and
$3,750	Married filing separately and either 65 or over or retired on disability.

Permanently and totally disabled individuals under age 65 determined the base amount on which to figure the credit as the lesser of the allowable amount (defined above) or taxable disability income. The base amount, for both those under 65 and older, was further reduced by the sum of nontaxable social security benefits, railroad retirement and veterans pensions, and other nontaxable pensions, plus one-half of adjusted gross income in excess of an additional exclusion amount which was also classified by filing status and age. And last, the actual credit was computed as 15 percent of this amount.

The amount of the credit that could be claimed was limited to total income tax, and any excess was not refundable.

Credit from Regulated Investment Companies
(line 60, Form 1040)

Taxpayers were instructed to include in gross income any amounts which were allocated to them as capital gain dividends from regulated investment companies, even if they were not actually received. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit for their proportionate share of the tax paid.

Credit to 1988 Estimated Tax
(line 64, Form 1040)

This credit was the part of the overpayment of 1987 tax which taxpayers specifically requested to be credited to their estimated tax for 1988. (See also "Overpayment" and "Estimated Tax Payments.")

Dividends #
(line 10, Form 1040)

Dividends received consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either received directly or passed through estates, trusts, or partnerships.

Dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains distributions, or liquidation distributions. Taxpayers were also instructed to exclude so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were to be treated as interest income; and patronage dividends declared by farmers' cooperatives and other cooperative organizations.

Beginning with 1987, the dividend exclusion could no longer be claimed.

Earned Income Credit
(line 56, Form 1040)

This was a credit available to low-income workers who had a child living with them for more than half the year. The credit was based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment, and was intended to offset the impact of social security taxes on low-income individuals and to encourage them to obtain employment.

The maximum credit was 14 percent of the first $6,075 of earned income, or $851. If earnings or adjusted gross income exceeded $6,924, the credit was reduced by 10 percent of the excess, so that at income levels over $15,431 the credit was completely eliminated. Taxpayers were required to reduce their earned income credit by the amount of their alternative minimum tax.

Taxpayers were eligible to claim the earned income credit if they met all the following conditions:

(1) they had earned income and both AGI and earned income were less than $15,432;

(2) they had a child living with them in the same principal residence in the United States for more than 6 months of 1987;

(3) they did not exclude from gross income any amount of income earned from sources outside the United States or from sources within U.S. possessions, or claim a deduction for certain expenses of living abroad;

(4) their filing status was married filing a joint return, qualifying widow(er) with dependent child, or head of household.

The earned income credit could result in a refund to the extent it was not used to offset income tax liability. Thus, even if individuals were not otherwise required to file returns, it was to their benefit to do so in order to claim the earned income credit. For purposes of this report, the earned income credit was divided into three parts: that used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); that used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion. (See also "Advance Earned Income Credit Payments.")

Employee Business Expenses
(line 23, Form 1040)

Beginning with 1987, only reimbursed business expenses that were included in income could be deducted by an employee as an "adjustment" to adjusted gross income. Unreimbursed employee business expenses were allowed only as a "miscellaneous itemized deduction" (Schedule A), limited to the amount that exceeded 2 percent of adjusted gross income. Employee business expenses included the cost of transportation, meals, lodging, and entertainment while away from home in the performance of services as an employee. Also for 1987, only 80 percent of business-related meal and entertainment expenses were deductible.

If employees accounted for deductible expenses to their employers, they were not required to report the reimbursement in income, except for any amount of reimbursement in excess of expenses.

Estate or Trust Net Income or Loss
(line 37, Schedule E, Part III)

This was the beneficiaries' share of fiduciary income (with the exception of the items described below which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed, amounts credited to beneficiaries' accounts from current-year fiduciary income (whether or not actually received), and any other amounts which were properly paid, credited, or required to be distributed for that year. Also included was the beneficiaries' share of any "accumulation distribution" made in the current year by the fiduciary of a "complex trust" for income accumulated in prior tax years.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from estates or trusts) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust. Beginning in 1987, losses from estates or trusts were limited by the new "passive loss" rules (discussed in the Changes in Law section of this report).

For the tables, if a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount computed on a return-by-return basis.

Estimated Tax Payments
(line 55, Form 1040)

This figure represented the total of the tax payments made using Form 1040ES. The amount reported also included any amount which was applied to the estimated tax by reason of an overpayment of 1986 tax liability. Individuals were required to make estimated tax payments if their estimated tax for Tax Year 1987 exceeded $500 and they estimated that the total amount of income tax withheld plus credits would be less than 90 percent of their estimated 1987 tax, or 100 percent of their 1986 tax.

Excess Social Security Taxes Withheld
(line 58, Form 1040)

If a taxpayer received more than $43,800 ($32,700 for railroad employees) from two or more employers in 1987, too much social security (FICA) or Railroad Retirement Act (RRTA) tax may have been withheld from the wages. Amounts in excess of $3,131.70 (FICA) or $4,521.45 (RRTA) could be taken as a credit toward payment of the taxpayer's income tax. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions #
(lines 6, 35, Form 1040)

In the computation of taxable income, a $1,900 deduction was allowed for each exemption claimed. An exemption was allowed for each taxpayer shown on a return except for dependents filing a separate return. On joint returns the husband and wife were each regarded as a taxpayer.

Exemptions were also allowed for qualified dependents. Beginning in 1987, if another taxpayer is entitled to claim a person as a dependent, then that dependent could not claim an exemption when filing a return. This new rule eliminated the double exemption that could be claimed by both a parent and dependent child prior to 1987. In general, an individual qualified as a dependent if that person:

- had gross income less than $1,900 (this did not apply if the person was a child dependent and was either under 19 years old or a full-time student);
- received more than half of his or her support from the taxpayer
- was either related to the taxpayer (such as a son, daughter, or parent) or a member of the same household for the whole year;
- did not file a joint return with his or her spouse; and
- met certain citizenship requirements.

Farm Net Income or Loss
(line 18, Form 1040)

This source of income was reported by individuals who were sole proprietors of a farm. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all farming activities. Farm business costs and expenses were deductible from farm gross business receipts in arriving at farm net profit or loss.

Gains from certain sales of livestock and crops that qualified for capital gains treatment were excluded from farm net profit or loss and included in capital gains. Farm rental income was included in rent net income or loss (see Farm Rental Income or Loss).

Farm Rental Income or Loss
(line 28, Schedule E)

Taxpayers were required to report farm rental income and expenses separately from other farm profit or loss if they:

- received income that was based on crops or livestock produced by the tenant, and
- did not manage or operate the farm to any great extent.

Foreign Earned Income and Foreign Housing Exclusions # (line 21, Form 1040)

Taxpayers could exclude from gross income a certain amount of their foreign earned income and employer-provided foreign housing expenses if their home for tax purposes was in a foreign country and they were either:

(1) a U.S. citizen and a bona fide resident of a foreign country or countries for an uninterrupted period that included a full tax year, or

(2) a U.S. citizen or resident alien who was physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months.

For 1987, qualified individuals were limited to the lesser of a $70,000 exclusion or their total foreign earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income.

The foreign earned income exclusion is shown separately in Statistics of Income for 1987.

Foreign Tax Credit #
(line 44, Form 1040)

Individuals who had paid income or excess profit taxes to a foreign country or U.S. possession or any political subdivision, agency, or instrumentality of the country or possession, could claim this credit against Federal income tax liability. Alternatively, foreign taxes paid could be claimed as an itemized deduction by a taxpayer. The credit included the taxpayer's share of taxes paid through partnerships, regulated investment companies, and fiduciaries. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 1987 could be carried back 2 years and then forward 5 years for use in computing the credit for those years. Additional information on foreign tax credits, foreign earned income, and foreign housing deductions is available for 1983 in the Statistics of Income Bulletin, Summer 1987 issue.

Forfeited Interest Penalty Adjustment
(line 27, Form 1040)

Taxpayers who had paid penalties for the premature withdrawal of funds from time savings accounts or deposits could deduct those penalties as an adjustment to gross income.

General Business Credit #
(line 45, Form 1040)

The general business credit consisted of the investment credit, the jobs credit, the alcohol fuel credit, and two credits added by the Tax Reform Act of 1986--the low-income housing credit and the research credit. As a result of the 1986 Act, the 10 percent investment credit was repealed for property placed in service after 1985 except for several limited exceptions.

Taxpayers claiming more than one of the business credits were required to summarize them on Form 3800, General Business Credit. The adjusted tax liability limitations for the combined credits were determined on the Form 3800. The general business credit was limited to 100 percent of the first $25,000 of tax liability and 75 percent of the excess over $25,000 ($12,500 for a married couple filing separately).

If the current year general business credit exceeded the tax liability limitation and could not be entirely used for Tax Year 1987, the excess amount could be carried back to the three preceding tax years, then forward 15 years.

Heads of Households, Returns of
(line 4, Form 1040)

These returns were filed by "unmarried" persons who furnished over half the cost of maintaining a household for more than 6 months for at least one qualifying relative. Unmarried persons, for purposes of this classification, were defined as single persons, married persons legally separated, certain married individuals living apart but not legally separated, or persons married to non-resident aliens.

"Qualifying" relatives, such as children, parents, brothers, and sisters, generally had to qualify as the taxpayer's dependents and actually had to live with the taxpayer. There were two exceptions to this rule. Parents of the taxpayer had to be dependents, but did not have to live in the same household; children

of the taxpayer did not have to be dependents, but did have to reside in the same household as the taxpayer.

A special tax rate schedule was provided for heads of households which gave lower rates than those for single or married filing separately.

Home Mortgage Interest Deduction

See "Interest Paid Deduction."

Income Subject to Tax

See "Modified Taxable Income."

Income Tax After Credits
(line 47 less earned income credit, Form 1040)

To arrive at income tax after credits, taxpayers deducted total personal credits (line 42, Form 1040) from income tax before credits (line 39, Form 1040). If the result was greater than zero, the foreign tax credit, general business credit, and other tax credits were then deducted from the residual to arrive at income tax after credits reported on the tax return. (See also "Total Personal Credits" in this section.)

Income Tax After Personal Credits
(line 43 less earned income credit, Form 1040)

This amount was "income tax before credits." less "total personal credits".

Income Tax Before Credits
(line 39, Form 1040)

This amount consisted of the tax liability computed on current-year "taxable income" using the tax tables or tax rate schedules, Schedule D, or Form 8615 (line 37) plus any additional taxes (line 38).(See also "Tax Generated")

Income Tax Withheld
(line 54, Form 1040)

Income tax withheld included amounts deducted from salaries, wages, tips, and other forms of remuneration as reported on Form W-2; from pensions and annuities, and certain gambling winnings as reported on Form W-2P and W-2G. Amounts withheld for distributions from profit-sharing, retirement plans, and individual retirement arrangements had withholding reported on Form 1099-R.

In some cases, a backup withholding rate of 20 percent was required for interest, dividend, and royalty payments, which, generally, were not subject to withholding.

Individual Retirement Arrangement #
(line 24a and b, Form 1040)

An Individual Retirement Arrangement (IRA) was a savings program that allowed a taxpayer to set aside money for retirement. An individual could establish an IRA at a bank or other qualified financial institution, or by investing directly in individual annuity contracts issued by an insurance company. Beginning in 1987, the deduction for IRA contributions was reduced or eliminated for taxpayers covered by an employer retirement plan whose adjusted gross income exceeded certain levels (see Changes in the Law section). Nondeductible contributions were still allowed.

Contributions to such a plan were limited to the lesser of:

(1) an individual's compensation for the year;

(2) $2,000 ($2,250 if a nonworking spousal IRA was included; or

(3) the amount actually contributed to an IRA.

Such contributions could be deducted from the employee's gross income in arriving at adjusted gross income. Unless they were disabled, taxpayers could not start withdrawing funds from the account until they reached age 59-1/2. After age 70 1/2 taxpayers were required to begin withdrawals. Penalty taxes were assessed if the taxpayer failed to comply with these limitations.

Individuals could also set up an IRA to include a nonworking spouse who met certain qualifying conditions. The total IRA deduction, including both the taxpayer and nonworking spouse, could not exceed $2,250. Beginning in 1987, a spousal IRA deduction is reported separately on line 24b, Form 1040, and tabulated in the statistics as "secondary IRA payments."

To be deductible, payments to an IRA for a particular taxable year must be made not later than the due date of the individual's return for that year.

Interest Paid Deduction #
(line 13, Schedule A)

Beginning in 1987, interest expenses, except for business or investment, were divided into two categories: personal interest and deductible home mortgage interest, with each subject to new rules. Personal interest included items such as credit card interest,

revolving charge account interest, and interest on bank loans. Only 65 percent of personal interest was deductible for 1987, whereas all of it was deductible for 1986.

For 1987, the mortgage interest deduction was limited to the amounts paid on a qualified principal and second residence, and to the interest associated with debt no greater than the cost of the residence plus improvements and mortgage loans taken to pay for qualified medical and educational expenses.

Generally, beginning in 1987, the investment interest deduction (interest paid on money borrowed that is allocable to property held for investment) was fully deductible up to the amount of net investment income. Interest relating to business, royalty, and rental income was deducted directly from these items and was, therefore, not reflected in the interest paid statistics.

Investment Credit
(line 45, Form 1040)

The Tax Reform Act of 1986 repealed the investment credit for most property put in service after December 31, 1985. This meant that a taxpayer could no longer claim investment credit on property such as automobiles, delivery trucks, office equipment, and farm equipment. However, a current year investment credit could still be claimed for certain types of property such as timber or business energy property.

The regular investment credit rate was 10 percent of the "qualified investment" in certain new and used depreciable assets. Since the investment credit was claimed as one of the components of the general business credit, it was subject to the same net tax liability limitation (see General Business Credit).

Itemized Deductions

See "Total Itemized Deductions," and specific types.

Joint Returns of Husbands and Wives
(line 2, Form 1040)

These were returns of married taxpayers electing the joint return filing status. The income of each spouse had to be reported on these returns.

A married couple could not elect to file a joint return if: (1) their tax years began on a different date, or (2) they were separated under a decree of divorce or separate maintenance on the last day of the tax year.

Marginal Tax Rates

Different portions of taxable income are taxed at different rates. The tax rate applied to the last dollar of income is called the "marginal tax rate" for that return (see Tax Generated).

Marital Filing Status
(lines 1-5, Form 1040)

The five marital filing status classifications were:

(1) joint returns of husbands and wives;

(2) separate returns of husbands and wives;

(3) returns of heads of households;

(4) returns of surviving spouses; and

(5) returns of single persons (not heads of households or surviving spouses).

Marital status was usually determined as of the last day of the taxable year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year. Each of the above classifications is explained under a separate heading in this section.

Medical and Dental Expense Deduction #
(line 1-4, Schedule A)

In general, for 1987, medical and dental expenses could be claimed as an itemized deduction to the extent that they exceeded 7.5 percent of adjusted gross income. Amounts paid for medicine and drugs were deductible only if they were available only by prescription or were for insulin. Taxpayers could also deduct a maximum of $50 per day for certain lodging expenses incurred for medical care. Qualified medical expenses included payments made for the diagnosis, treatment, or prevention of disease. (See also the Changes in Law section of this report.)

Miscellaneous Itemized Deductions #
(lines 20-25, Form 1040)

Beginning with 1987, two tiers of miscellaneous itemized deductions were created. The first tier included those expense items that were fully deductible while expenses in the second tier were limited to the amount that exceeded 2 percent of adjusted gross income. (See also the Changes in Law section of this report.)

Deductible Miscellaneous Deductions -- Fully deductible expenses included such items

as gambling losses (limited to gains), impairment-related work expenses for handicapped people, and amortizable bond premiums.

Limited Miscellaneous Deductions -- Unreimbursed employee business expenses and those expenses of producing income were limited to the amount that exceeded 2 percent of adjusted gross income.

Modified Taxable Income

"Modified taxable income" is the term used to describe "income subject to tax", the actual base on which tax is computed for the statistics in Tables 3.4 and 3.5. For taxpayers filing current year returns, modified taxable income is identical to "taxable income." However, for prior year returns included in the 1987 statistics, a modified taxable income was computed. This was calculated by using the tax rate schedule to impute a hypothetical taxable income amount necessary to yield the given amount of tax reported.

Mortgage Interest Credit
(included in line 42, Form 1040)

As a result of the Tax Reform Act of 1984, State and local governments could issue mortgage credit certificates (MCC's) to be used in connection with the acquisition, qualified rehabilitation, or qualified home improvement of the taxpayer's principal residence. A qualified MCC entitled a taxpayer to claim a credit against Federal income tax, and the certificate specified the amount of the debt that qualified for the credit and the credit percentage rate (10 percent to 50 percent).

The credit was figured by multiplying the interest paid on the debt during the year by the credit percentage rate. If the credit percentage rate exceeded 20 percent, the maximum allowable credit was $2,000 a year. Taxpayers had to reduce their Schedule A itemized deduction for interest expense by the amount of the credit.

Moving Expense Deduction
(line 19, Schedule A)

For 1987, an employee (with the exception of members of the armed services) who had to move to a new residence as a result of changing jobs could claim certain reasonable expenses for moving and house hunting as an itemized deduction. For 1986 moving expenses were an adjustment to income. For employees to qualify for this deduction, the new job location had to be at least 35 miles farther from the former residence than the old job was. Retirees could deduct moving expenses for a move to a new home in the United States when they permanently retired if both their former main job location and home were outside the United States. In addition, the employee had to work full time for at least 39 weeks of the 12 months after the move. Self-employed individuals had to work full time for at least 78 weeks during the first 24 months to be eligible for this deduction.

Deductible expenses included those incurred from moving household goods and personal effects; and travel, meals, and lodging of the taxpayer and household members en route to the new residence. There were no dollar limitations for these expenses. Other allowable expenses, subject to a $3,000 limitation, included house-hunting trips, cost of meals, lodging in temporary quarters for up to 30 days, and costs related to settlement of an unexpired lease or acquisition of a new lease, or selling of a residence and purchase of a new residence.

Nontaxable Returns

See "Taxable and Nontaxable Returns."

Other Income
(line 21, Form 1040)

Included here were such items as prizes, awards, sweepstakes winnings, gambling winnings, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in a previous year, repayment of real estate taxes deducted in an earlier tax year if they reduced tax, free tours received from travel agencies, Veterans Administration rehabilitative program payments, payments by a union to unemployed members, certain life insurance payments and any other income subject to tax for which there was no specific line provided on the return form. Any "net operating loss" in an earlier year carried forward and deducted for 1987 was entered as a negative amount.

Other Tax Credits
(included in line 46, Form 1040)

"Other tax credits" is a residual category in the statistics and does not relate to a line item on a tax form. It included the "credit for fuel from a nonconventional source" and any other statutory credits which were used to offset income tax before credits and which could not be identified as one of the following:

- child care credit,
- foreign tax credit,

- residential energy credit (carryforward from prior years),
- general business credit,
- elderly and permanently and totally disabled credit (credit for the elderly), and
- mortgage interest credit.

Overpayment
(line 62, Form 1040)

An overpayment of tax occurred when the "taxpayments" exceeded "total tax liability," including the amount of any "refundable portion of the earned income credit." Overpayments could be refunded; or, at the taxpayer's election, credited toward 1988 on the estimated tax; or taken partly as a refund and partly as a credit against estimated tax. (See Credit on 1988 Estimated Tax; also see Refund.)

Overpayment of Windfall Profit Tax
(included in line 61)

A "windfall profit" excise tax was imposed on producers of crude oil, but the tax was withheld and reported by the first purchaser of such oil. If too much tax was withheld in the course of the year, the producer could claim a refund on his or her income tax return. The excess payment was entered in the margin of the tax payments section of the Form 1040.

Partnership and S Corporation Net Income or Loss # (lines 31, 32, Schedule E)

Since partnerships and S corporations (formerly Subchapter S corporations) are not taxable entities, their net profit or loss was taxed, in general, directly to the members of the partnership or shareholders in the S corporation. The profit or loss shown in the statistics was the taxpayer's share of the ordinary gain or loss of the enterprise and certain payments made to the taxpayer for the use of capital or as a salary. Net long-term capital gain retained its character in the hands of the partners or stockholders and was included in the statistics for net gain or loss from sales of capital assets.

If a return showed net income from one partnership or S corporation and a net loss from another, the two were added together and the return was tabulated by the net amount of income or loss in the appropriate column. Beginning in 1987, net income and net loss were reported separately for passive and non-passive partnership and S corporation activities. Passive losses were limited under the new rules to the amount that could be offset by passive income.

Additional information on partnerships for 1987 can be found in the Statistics of Income Bulletin, Publication 1136, Winter, 1988-89.

Payment with Request for Extension of Filing Time (line 57, Form 1040)

This payment was made when the taxpayer filed Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return or Form 2688, Application for Additional Extension of Time to File. The extension gained the taxpayer an additional period of time to file Form 1040 or 1040A, but it did not extend the time for payment of expected tax. Full payment of any tax due had to be made with the application for extension. When taxpayers filed their Form 1040 or 1040A, they entered the amount paid with Form 4868 or Form 2688 to determine any tax still due or any overpayment of tax.

Payments to a Keogh Plan
(line 26, Form 1040)

Self-employed individuals were allowed to contribute to a Keogh retirement plan or a "simplified employment pension" (SEP) plan and to deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on net earnings from self-employment. Generally, the maximum amount of the annual deduction was the lesser of $30,000 or 15 percent of the participant's compensation from the trade or business.

Penalty Tax on Individual Retirement Arrangements (line 52, Form 1040)

If taxpayers withdrew any funds from an Individual Retirement Arrangement before they were either age 59-1/2 or disabled, they were subject to a penalty tax equal to 10 percent of the premature distribution. Any taxpayer who failed to withdraw the minimum required distribution after reaching age 70-1/2 had to pay a 50-percent excise tax on the excess accumulation. Contributions to the retirement arrangement in excess of the legal limitation for the year (the lesser of $2,000 or the taxpayer's compensation for the year) were subject to an excise tax equal to 6 percent of the excess contribution. (See also "Individual Retirement Arrangement.")

Pensions and Annuities
(lines 16a, 16b, Form 1040)

Generally, pensions represented periodic income received after retirement for past

services with an employer, while annuities were income payable at stated intervals after payment of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory pension was paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on lines 16a and b. For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution.

The "three-year rule" which permitted an employee to exclude all qualified retirement annuity payments from income until the employee had recovered the amount contributed to the plan (if the amount contributed was recovered within three year years), was no longer available after July 1, 1986. The employee was required to report payments under the general rule which provided that the nontaxable portion be amortized over the expected lifetime of the taxpayer.

The entire amount of pensions received for the year was reported on line 16a, "Pensions, IRA distributions, annuities, and rollovers," of the Form 1040, with the taxable portion being computed on a separate worksheet and entered on line 16b, "Taxable amount."

Predetermined Estimated Tax Penalty
(included in line 65, Form 1040)

If a return showed taxes of $500 or more owed on line 65 (tax due at time of filing) and this amount was more that 10 percent of the total tax, taxpayers could owe a penalty. Also, taxpayers could owe a penalty if they underpaid their 1987 estimated tax liability for any payment period. Form 2210 was used to determine the amount of a penalty, if any.

Refund
(line 63, Form 1040)

A refund of tax included all overpayments of income taxes not applied by the taxpayer as a credit to the next year's estimated tax. (See also Overpayment.)

Regular Tax Computation

Typically, the taxpayer, in determining the amount of "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax tables or applied the rates from one of four tax rate schedules to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

Rent Net Income or Loss #
(line 23, column A, Schedule E)

Rent net income or loss constituted a part of adjusted gross income and was determined by deducting from gross rent, amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. Beginning with 1987, new "passive loss" rules limited the losses that could be claimed for rental activities. In the statistics, total rental net loss includes passive losses that were not deductible in figuring AGI. (Passive losses are discussed under Changes in Law.)

Royalty Net Income or Loss
(line 23, Column, Schedule E)

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231, and, as a result of the separate computation required by that section, are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets."

S Corporations
See Partnerships and S Corporations Net Profit or Loss.

Salaries and Wages
(line 7, Form 1040)

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items were included:

- commissions,
- bonuses,
- tips,
- fees,
- excess reimbursement over employee business expenses,
- moving expense allowances,
- employer's payments to a nonqualified pension plan,
- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his employer,
- severance pay,
- sick pay,
- the employee's portion of social security tax,
- exercising a stock appreciation right,
- vacation allowances,
- payments received as the result of winning some legal suits,
- most disability payments,
- certain group-term life insurance premiums paid by an employer,
- strike and lockout benefits,
- certain meals or lodging, and
- the value of non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property).

Identifiable amounts for any of these categories which may have been reported by taxpayers as "other income" were treated as salaries and wages for the statistics.

Sales of Capital Assets Net Gain or Loss # (line 14, Form 1040)

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. However, assets used in the normal course of business activities, such as inventory held for sale during the ordinary conduct of business, and depreciable or real property held for sale or used in a trade or business, were specifically excluded from treatment as capital assets (see Sales of Property Other Than Capital Assets, Net Gain or Loss). This rule did not apply to the net gains from the disposition of certain types of property used in business which were treated as capital gains under Code Section 1231.

The following concepts were used in the computation of net capital gain or loss for this report:

Net capital gain--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. For 1987, the full amount of this gain, whether short- or long-term (short-term meant assets were held 6 months or less and long-term was over 6 months), was included in adjusted gross income.

Net capital gain also included capital gain distributions which were not reported on Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099-B). These capital gain distributions were entered directly on page 1 of Form 1040 if the taxpayer did not have any other gains or losses to report on Schedule D. These distributions were always considered to be long-term capital gains and for 1987, they were included in the net capital gain statistics.

Net capital loss--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer showed a net capital loss. The amount of net capital loss to be included in adjusted gross income was limited to the smaller of the actual net capital loss or $3,000 ($1,500 for married persons filing separately). Any excess capital losses over the $3,000 limit could be carried over to subsequent tax years.

Sales of Property Other Than Capital Assets, Net Gain or Loss (line 15, Form 1040)

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included in this group were:

(1) certain depreciable, depletable, and real business property;

(2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;

(3) certain copyrights; literary, musical, or artistic compositions; or similar properties;

(4) any share of gain or loss that otherwise qualified under this heading and was received through partnerships, S corporations or fiduciaries; and

(5) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Gains from the disposition of some property types not considered to be capital assets

could be treated as capital gains under certain conditions. Conversely, under other conditions gains from the disposition of some property types considered to be capital gains could be denied capital gains treatment. Taxpayers reported all gains and losses not receiving capital gains treatment on Form 4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions.

Self-Employed Health Insurance #
(line 25, Form 1040)

For 1987, self-employed individuals could deduct as an adjustment to income up to 25 percent of the amount paid for medical insurance for themselves and their family. The balance of the cost was included with other medical care expenses as an itemized deduction subject to the 7.5 percent deduction threshold based on AGI. However, self-employed persons were not allowed this deduction if they or their spouses were employees and eligible to participate in an employer-subsidized health plan.

Self-Employment Tax
(line 48, Form 1040)

This tax, levied under the Social Security system, was reported by most individuals who had self-employment earnings of at least $400 derived from a sole proprietorship or from any share of partnership profits. Some types of income (such as dividends, interest, and capital gains and losses) and certain deductions (such as net operating losses, and casualty and theft losses) were not allowed in computing self-employment earnings.

The maximum amount subject to self-employment tax for 1987 was $43,800, reduced by any wages covered by social security. The self-employment tax rate for 1987 was 14.3 percent, but the actual amount paid was 12.3 percent because a credit of 2 percent was applied against the amount of self-employment tax. The rate for 1986 was also 12.3 percent, but the maximum amount subject to tax was $42,000.

Separate Returns of Husbands and Wives
(line 3, Form 1040)

Generally, these were returns of married persons, each of whom filed a return independently of his or her spouse and reported only his or her own income, exemptions, and tax. Also included were returns of married persons where only one spouse had income, but elected to use this classification.

If only one spouse filed a separate return, the other spouse's exemption could be claimed on that return, but only if the spouse who was not filing had no gross income and was not the dependent of another taxpayer.

Single Persons, Returns of
(line 1, Form 1040)

These were returns of (a) unmarried persons who did not qualify as a head of household or surviving spouse, or (b) certain married individuals living apart from their spouses who maintained a home, independently of the spouse, that was the home of the individual's child or stepchild (who could be claimed as a dependent) for more than 6 but less than 12 months of the year.

Size of Adjusted Gross Income
(line 30, Form 1040)

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns without positive adjusted gross income, such as deficit returns or returns on which income and loss were equal, were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class labeled "no adjusted gross income" indicates that any deficit or breakeven returns in a table were included in the lowest income size class.

Social Security Benefits
(lines 20a, 20b, Form 1040)

Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a "tier 1 railroad retirement benefit" that was equivalent to a social security benefit. Social security benefits are not taxable unless the taxpayer's other income exceeds certain levels. The maximum amount taxed was one half of the net social security benefits received. Social security benefits received were reported on Form 1040, line 20a with only the taxable portion reported on 20b. However, some taxpayers who had no taxable benefits may not have shown the total benefit on their income tax returns.

Social Security Taxes on Tip Income
(line 51, Form 1040)

This amount consisted of social security tax on unreported tip income and uncollected employee social security tax on tips.

Cash tips amounting to $20 or more that the taxpayer received in a month while working for any one employer were subject to withholding of income tax and social security tax (this

included the equivalent railroad retirement tax). Cash tips counted toward social security benefits, and an employee was required to report these tips to the employer who would then withhold the social security tax. However, if the employer was unable to withhold the amount of social security tax, the amount of uncollected social security tax on tips was indicated on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040.

If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 4137 and attach it to Form 1040.

Standard Deduction #
(line 33b, Form 1040)

Basic - Beginning with tax year 1987, the zero bracket amount was replaced by the standard deduction. The basic standard deduction amounts that could be claimed by taxpayers were determined by filing status and age or blindness. Those taxpayers who were 65 years of age or over or blind were allowed a higher basic standard deduction in each filing status than other taxpayers, as shown below.

Additional - Taxpayers who were age 65 or over or blind were not only allowed a higher basic standard deduction but could also claim an additional standard deduction amount of $750, if single, and $600, if married, for each person 65 years of age or older or blind. The basic standard deduction and the additional standard deduction as it applies to taxpayers, depended on age and blindness.

Single
- Under 65, basic deduction was $2,540
- 65 or over or blind, basic deduction was $3,000 plus
  $750 for each additional deduction

Married filing jointly or qualifying widow(er)
- Under 65, basic deduction was $3,760
- 65 or over or blind, basic deduction was $5,000 plus
  $600 for each additional deduction

Married, filing separately
- Under 65, basic deduction was $1,880
- 65 or over or blind, basic deduction was $2,500 plus
  $600 for each additional deduction

Head of Household
- Under 65, basic deduction was $2,540
- 65 or over or blind, basic deduction was $4,400 plus
  $750 for each additional deduction

In the statistics, the basic standard deduction was tabulated for all taxpayers who claimed it, including those who were 65 or older or blind. The "additional standard deduction" total included only the additional amount that was taken by those taxpayers who were 65 or older or blind.

State Income Tax Refunds
(line 11, Form 1040)

These amounts represented that part of a refund of State income tax attributable to itemized deductions taken in a prior year that resulted in a Federal tax benefit.

Statutory Adjustments #
(lines 23-29, Form 1040)

These were certain adjustments to gross income allowed as deductions in arriving at adjusted gross income. For 1987, statutory adjustments included reimbursed employee business expenses, payments to a self-employed Keogh retirement plan or a "simplified employee pension" (SEP), forfeited interest penalty, payments to an individual retirement arrangement (IRA), alimony paid, the self-employed health insurance deduction, and the foreign housing deduction. Each of the above is described in this section. In addition, statutory adjustments included the forestation/reforestation amortization deduction and the repayment of supplemental unemployment benefits under the Trade Act of 1974.

Surviving Spouses, Returns of
(line 5, Form 1040)

These returns were filed by widows or widowers whose spouse had died during either of the two preceding years, who had not remarried, and who had maintained a home which was the principal abode of a child or stepchild for whom the taxpayer was entitled to claim an exemption.

Taxpayers who were surviving spouses could use the joint return tax rates for the two taxable years following the year of death of the spouse; however, the deceased spouse could not be claimed as an exemption, except for the year of death.

Tax Due at Time of Filing
(line 65, Form 1040)

"Tax due" was reported on returns on which "total tax liability" exceeded "total tax-payments."

Tax From Recomputing Prior-Year Investment Credit (line 50, Form 1040)

The investment tax credit provisions of the

law included a recapture rule which required taxpayers to pay back all or a portion of any investment credit previously taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life.

Tax credits could not be applied against this additional tax.

Tax Generated #
(line 37, Form 1040)

This amount was the tax computed on modified taxable income (see "Modified Taxable Income"). For 1987, there were five tax rates, 11, 15, 28, 35, and 38.5 percent. The amount of income subject to the different tax rates depended on filing status, with two exceptions. First, if a taxpayer had a long-term capital gain (in excess of short-term capital loss), the maximum tax rate on it was 28 percent. Those capital gains that were taxed at this rate were tabulated as such in Tables 3.4 and 3.5. Second, the amount of investment income of children under age 14 that exceeded $1,000 and was taxed at the parents' rate on Form 8615 was tabulated separately in Tables 3.4 and 3.5.

On most returns, except those with additional taxes from special computations, "tax generated" equaled "income tax before credits."

Tax Rates
See "Tax Generated."

Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report was determined by the presence of "total income tax" (the sum of income tax after credits and the alternative minimum tax). Some returns classified as "nontaxable" may have had a liability for self-employment or Railroad Retirement Tax Act (RRTA) taxes, social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement arrangements, Section 72 penalty taxes, advance earned income credit payments, golden parachute payments, or uncollected employee social security tax on tips. However, these taxes were disregarded for purposes of this classification, since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned income payments, were either based on prior year's income or were penalty taxes.

For this report, the earned income credit was treated as an amount which, first, was used to offset income tax before credits. Since the earned income credit was refundable, it was subtracted from income tax (for the statistics) after reduction by all other statutory credits. As a result, some returns became nontaxable strictly because of the earned income credit if there was no alternative minimum tax and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was originally filed and does not reflect any changes resulting from audit or other enforcement activities.

Taxable Income
(line 36, Form 1040)

Taxable income was derived by subtracting from adjusted gross income any exemption amount and either total itemized deductions or the standard deduction. On current year returns, in contrast to prior year returns received during the current year filing period, taxable income is identical to "modified taxable income."

Taxable Interest Received
(line 9, Form 1040)

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings accounts, tax refunds, U.S. savings bonds, and money-market funds. Also included as interest were "dividends" on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. Most interest on State or local government obligations remained tax-exempt, but the total tax-exempt interest had to be reported on line 9 of Form 1040 beginning with 1987. It was not included in the taxpayer's income (see Tax-Exempt Interest). If interest on accounts frozen by insolvent financial institutions was not received during the tax year, it was excluded from income.

Taxes Paid Deduction
(line 8, Schedule A)

Taxes allowed as a deduction from adjusted gross income included personal property taxes, State and local income taxes, taxes paid to foreign countries or U.S. possessions unless a foreign tax credit was claimed, and real

estate taxes except those levied for improvements that tended to increase the value of the property. Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were also included. Federal taxes and State and local sales taxes were not deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, royalty, and farm income and are excluded from the "taxes paid" statistics in this report.

Tax-Exempt Interest #
(line 9, Form 1040)

Beginning with 1987, the amount of any tax-exempt interest received or accrued during the tax year had to be shown on the tax return. Tax-exempt interest includes interest on certain State and municipal bonds, as well as any tax-exempt interest dividends from a mutual fund or other regulated investment company. This is an information reporting requirement and does not convert tax-exempt interest to taxable interest.

Taxpayments
(lines 54, 55, 57-61, Form 1040)

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

(1) income tax withheld, including backup withholding,

(2) excess social security taxes or railroad retirement tax withheld,

(3) credit for tax on certain gasoline, fuel, and oil,

(4) estimated tax payments,

(5) payment with request for extension of filing time,

(6) credit from regulated investment companies,

(7) overpayment of windfall profit tax, and

(8) all other taxpayments.

Each of the above is described under a separate heading in this section.

While the earned income credit was included with taxpayments on the tax return itself, for the statistics it is treated partly as a credit against income tax liability and partly as a refundable amount (see also Earned Income Credit).

Total Income Tax
(lines 47 and 49, Form 1040)

Total income tax was the sum of income tax after credits and the alternative minimum tax. It did not include any of the other taxes which made up "total tax liability." Total income tax was the basis for classifying returns as "taxable or nontaxable."

Total Itemized Deductions #
(line 33a, Form 1040)

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, taxes paid, interest paid, contributions, casualty and theft losses, moving expenses, and miscellaneous deductions.

Four groups of taxpayers were required to itemize their deductions, even if those deductions were less than the standard deduction amount. Those individuals were married persons filing a separate return when the taxpayer's spouse elected to itemize, dual status aliens, taxpayers filing a return with a short tax year, and persons excluding income received from sources in U.S. possessions.

The total amount of itemized deductions was tabulated only from returns showing positive adjusted gross income. (See Changes in Law section.)

Total Personal Credits #
(lines 40-42, 56, Form 1040)

For this report, total personal credits consisted of the following:

(1) child care credit;

(2) credit for the elderly and permanently and totally disabled;

(3) residential energy credit (prior year);

(4) mortgage interest credit; and

(5) earned income credit used to offset income tax before credits.

This amount was deducted from income tax before credits to arrive at income tax after personal credits. The portion of the earned income credit which did not result in a negative amount was tabulated in this report as "earned income credit used to offset income tax before credits." (See also "Income Tax After Personal Credits.") All personal credits were limited to the amount needed to offset "income tax before credits." Each of

the above credits is described under a separate heading in this section.

Total Tax Credits
(line 42 plus line 46, Form 1040)

This item represents the sum of "Total Personal Credits", the "Foreign Tax Credit", the "General Business Credit", and "Other Tax Credits". All tax credits were limited to the amount needed to offset "income tax before credits."

Total Tax Liability
(line 53 modified by the earned income credit, Form 1040)

Total tax liability was the sum of income tax after credits, alternative minimum tax, self-employment or railroad retirement taxes, social security tax on tips, tax from recomputing prior-year investment credits, taxes from individual retirement arrangements, Section 72 penalty taxes, uncollected employee social security and railroad retirement tax on tips, and tax on golden parachute payments. These taxes were then reduced by the "earned income credit used to offset all other taxes" (defined under "Earned Income Credit"). For purposes of this report, total tax liability did not include any advance earned income credit payments.

Type of Tax Computation #
(line 37, Form 1040)

Tabulations in Table 3.1 include two methods of computing the tax on income subject to tax. These methods were:

(1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ (see "Regular Tax Computation"); and

(2) capital gains alternative tax, computed on Schedule D; and

A third method was the tax on investment income of children under 14 computed on Form 8615. Returns using this method were not included in Table 3.1.

Unemployment Compensation #
(line 19, Form 1040)

Beginning in 1987, all unemployment compensation had to be included in income. In prior years, generally only a portion (if any) of the benefits were includible.

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Form **1040** Department of the Treasury — Internal Revenue Service
U.S. Individual Income Tax Return 1987 (0)

For the year Jan.–Dec. 31, 1987, or other tax year beginning 1987, ending 19 | OMB No 1545 0074

Label (Use IRS label. Otherwise, please print or type)
Your first name and initial (if joint return, also give spouse's name and initial) | Last name | Your social security number
Present home address (number and street or rural route) (If you have a P.O. Box see page 6 of Instructions.) | Spouse's social security number
City, town or post office, state, and ZIP code | For Privacy Act and Paperwork Reduction Act Notice, see Instructions

Presidential Election Campaign ▶ Do you want $1 to go to this fund? Yes ☐ No ☐
If joint return, does your spouse want $1 to go to this fund? Yes ☐ No ☐
Note: Checking "Yes" will not change your tax or reduce your refund.

Filing Status (Check only one box)
1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here
4 ☐ Head of household (with qualifying person) (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19) (See page 7 of Instructions.)

Exemptions (See Instructions on page 7.)
Caution: If you can be claimed as a dependent on another person's tax return (such as your parents' return), do not check box 6a. But be sure to check the box on line 32b on page 2.
6a ☐ Yourself 6b ☐ Spouse
No. of boxes checked on 6a and 6b ▶
c Dependents

(1) Name (first, initial, and last name)	(2) Check if under age 5	(3) If age 5 or over, dependent's social security number	(4) Relationship	(5) No. of months lived in your home in 1987

If more than 7 dependents, see Instructions on page 7.
No. of children on 6c who lived with you ▶
No. of children on 6c who didn't live with you due to divorce or separation ▶
No. of parents listed on 6c ▶
No. of other dependents listed on 6c ▶
d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶ ☐
e Total number of exemptions claimed (also complete line 35)
Add numbers entered in boxes above ▶

Income (Please attach Copy B of your Forms W-2, W-2G, and W-2P here. If you do not have a W-2, see page 6 of Instructions.)
7 Wages, salaries, tips, etc. (attach Form(s) W-2) — 7
8 Taxable interest income (also attach Schedule B if over $400) — 8
9 Tax-exempt interest income (see page 10). DON'T include on line 8 — 9
10 Dividend income (also attach Schedule B if over $400) — 10
11 Taxable refunds of state and local income taxes, if any, from worksheet on page 11 of Instructions — 11
12 Alimony received — 12
13 Business income or (loss) (attach Schedule C) — 13
14 Capital gain or (loss) (attach Schedule D) — 14
15 Other gains or (losses) (attach Form 4797) — 15
16a Pensions, IRA distributions, annuities, and rollovers. Total received — 16a
b Taxable amount (see page 11) — 16b
17 Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E) — 17
18 Farm income or (loss) (attach Schedule F) — 18
19 Unemployment compensation (insurance) (see page 11) — 19
20a Social security benefits (see page 12) — 20a
b Taxable amount, if any, from the worksheet on page 12 — 20b
21 Other income (list type and amount—see page 12) — 21
22 Add the amounts shown in the far right column for lines 7, 8, and 10–21. This is your **total income** ▶ — 22

Please attach check or money order here

Adjustments to Income (See Instructions on page 12.)
23 Reimbursed employee business expenses from Form 2106 — 23
24a Your IRA deduction, from applicable worksheet on page 13 or 14 — 24a
b Spouse's IRA deduction, from applicable worksheet on page 13 or 14 — 24b
25 Self-employed health insurance deduction, from worksheet on page 14 — 25
26 Keogh retirement plan and self-employed SEP deduction — 26
27 Penalty on early withdrawal of savings — 27
28 Alimony paid (recipient's last name and social security no.) — 28
29 Add lines 23 through 28. These are your **total adjustments** ▶ — 29

Adjusted Gross Income
30 Subtract line 29 from line 22. This is your **adjusted gross income**. If this line is less than $15,432 and a child lived with you, see "Earned Income Credit" (line 56) on page 18 of the Instructions. If you want IRS to figure your tax, see page 15 of the Instructions ▶ — 30

Form 1040 (1987) Page 2

Tax Computation
31 Amount from line 30 (adjusted gross income) — 31
32a Check if ☐ You were 65 or over ☐ Blind; ☐ Spouse was 65 or over ☐ Blind. Add the number of boxes checked and enter the total here ▶ 32a
b If you can be claimed as a dependent on another person's return, check here ▶ 32b ☐
c If you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien, see page 15 and check here ▶ 32c ☐
33a **Itemized deductions.** See page 15 to see if you should itemize. If you don't itemize, enter zero. If you do itemize, attach Schedule A, enter the amount from Schedule A, line 26, **AND** skip line 33b — 33a
b **Standard deduction.** Read **Caution** to left. If it applies, see page 16 for the amount to enter. If **Caution** doesn't apply and your filing status from page 1 is: Single or Head of household, enter $2,540; Married filing jointly or Qualifying widow(er), enter $3,760; Married filing separately, enter $1,880 — 33b
34 Subtract line 33a or 33b, whichever applies, from line 31. Enter the result here — 34
35 Multiply $1,900 by the total number of exemptions claimed on line 6e or see chart on page 16 — 35
36 **Taxable income.** Subtract line 35 from line 34. Enter the result (but not less than zero) — 36
Caution: If under age 14 and you have more than $1,000 of investment income, check here ▶ ☐ and see page 16 to see if you have to use Form 8615 to figure your tax.
37 Enter tax. Check if from ☐ Tax Table, ☐ Tax Rate Schedules, ☐ Schedule D, or ☐ Form 8615 — 37
38 Additional taxes (see page 16). Check if from ☐ Form 4970 or ☐ Form 4972 — 38
39 Add lines 37 and 38. Enter the total ▶ — 39

Caution: If you checked any box on line 32a, b, or c and you don't itemize, see page 16 for the amount to enter on line 33b.

Credits (See Instructions on page 17.)
40 Credit for child and dependent care expenses (attach Form 2441) — 40
41 Credit for the elderly or for the permanently and totally disabled (attach Schedule R) — 41
42 Add lines 40 and 41. Enter the total — 42
43 Subtract line 42 from line 39. Enter the result (but not less than zero) — 43
44 Foreign tax credit (attach Form 1116) — 44
45 General business credit. Check if from ☐ Form 3800 ☐ Form 3468 ☐ Form 5884, ☐ Form 6478, ☐ Form 6765, or ☐ Form 8586 — 45
46 Add lines 44 and 45. Enter the total — 46
47 Subtract line 46 from line 43. Enter the result (but not less than zero) ▶ — 47

Other Taxes (Including Advance EIC Payments)
48 Self-employment tax (attach Schedule SE) — 48
49 Alternative minimum tax (attach Form 6251) — 49
50 Tax from recapture of investment credit (attach Form 4255) — 50
51 Social security tax on tip income not reported to employer (attach Form 4137) — 51
52 Tax on an IRA or a qualified retirement plan (attach Form 5329) — 52
53 Add lines 47 through 52. This is your **total tax** ▶ — 53

Payments (Attach Forms W-2, W-2G, and W-2P to front.)
54 Federal income tax withheld (including tax shown on Form(s) 1099) — 54
55 1987 estimated tax payments and amount applied from 1986 return — 55
56 Earned income credit (see page 18) — 56
57 Amount paid with Form 4868 (extension request) — 57
58 Excess social security tax and RRTA tax withheld (see page 19) — 58
59 Credit for Federal tax on gasoline and special fuels (attach Form 4136) — 59
60 Regulated investment company credit (attach Form 2439) — 60
61 Add lines 54 through 60. These are your **total payments** ▶ — 61

Refund or Amount You Owe
62 If line 61 is larger than line 53, enter amount **OVERPAID** ▶ — 62
63 Amount of line 62 to be **REFUNDED TO YOU** ▶ — 63
64 Amount of line 62 to be applied to your 1988 estimated tax ▶ 64
65 If line 53 is larger than line 61, enter **AMOUNT YOU OWE**. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1987 Form 1040" on it. — 65
Check ▶ ☐ if Form 2210 (2210F) is attached. See page 20. **Penalty:** $

Please Sign Here
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
Your signature | Date | Your occupation
Spouse's signature (if joint return, BOTH must sign) | Date | Spouse's occupation

Paid Preparer's Use Only
Preparer's signature | Date | Check if self-employed ☐ | Preparer's social security no.
Firm's name (or yours if self-employed) and address | E.I. No. | ZIP code

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Department of the Treasury
Internal Revenue Service

1987 Instructions for preparing Form 1040

and instructions for Schedules A, B, C, D, E, F, and SE

(Tax Table—pages 41–46)

(Telephone Numbers for Recorded Tax Information—page 50)

(Information on How To Order Forms—page 52)

Note: *This booklet does not contain any tax forms.*

From the Commissioner

Dear Taxpayer:

This year for the first time the Tax Reform Act of 1986 will have a major impact on the preparation of your tax return. This has important consequences for you and for us.

Changes made by the new Act are summarized on the next page. You can learn more about the ones that affect you by getting one of the publications listed near the end of this booklet. Learning about the changes now will make it easier for you to prepare your return when you start working on it.

We encourage you to start preparing your return early. That way, if you need more information, you'll have the time to get it.

We are working hard to be ready to handle your return properly and to improve the quality of our service to you. You can help us in this effort by checking your return carefully before you file it and by using the preprinted name and address label if you received one.

I would like to hear your ideas for improving our forms and instructions. If you would like to make some suggestions, please write to me at the Internal Revenue Service, Mail Stop 1040, 1111 Constitution Avenue, N.W., Washington, DC 20224

Lawrence B. Gibbs
Commissioner of Internal Revenue

Important Tax Law Changes

These changes are a result of the Tax Reform Act of 1986. They apply to tax years beginning after 1986, unless otherwise noted

Reduced Tax Rates. Most of the rates have been reduced and the rate structure has been simplified, for 1987 there are only five tax rates ranging from 11% to 38 5%

Increased Exemption Amount. For 1987 the deduction allowed for each exemption is $1,900 (up from $1,080).

Increased Standard Deduction. The standard deduction (formerly the zero bracket amount) has increased for most individuals. See the instructions for line 33b on page 16 for details

Age 65 or Over or Blind? The additional personal exemption for individuals who are age 65 or over or blind is no longer allowed. However, if you were 65 or over or blind and you do not itemize your deductions on **Schedule A** (Form 1040), your standard deduction is generally more than that allowed to other nonitemizers. See **Standard Deduction for Persons Age 65 or Over or Blind** on page 16 for details.

Social Security Numbers of Dependents. If you claim any person age 5 or over as a dependent, show that person's social security number on your return. If your dependent does not have a number, see the instructions for line 6c on page 7

New Rules for Children and Other Dependents. If you can be claimed as a dependent on another person's return (such as your parents' return), the following rules apply

- You may have to file a return for 1987 if your gross income is more than $500. (See **Children and Other Dependents** on page 4 for details.)
- You cannot take an exemption for yourself
- Your standard deduction may be limited. (See **Standard Deduction for Children and Other Dependents** on page 16 for details.)

Increased Earned Income Credit. For 1987 the income limit is $15,432 and the credit can be as much as $851. See the instructions for line 56 on page 18 for more details

Repealed Tax Benefits. The following benefits are no longer allowed.

- Dividend exclusion.
- Capital gain deduction of 60% for long-term capital gains
- Partial exclusion of unemployment compensation
- Deduction for a married couple when both work (**Schedule W** (Form 1040)).
- State and local sales tax deduction.
- Charitable contribution deduction for nonitemizers
- Income averaging method to figure your tax (**Schedule G** (Form 1040)).
- Partial credit for political contributions

Maximum Tax on Capital Gains—28%. If you have a net capital gain, your tax may be less if you can use the Alternative Tax Computation on **Schedule D** (Form 1040) to figure your tax. See Part IV of Schedule D to see if you qualify

Filing Requirements. Generally, the amount of income you can have before you are required to file a return has increased See **Who Must File** on page 4 for the new income levels

Tax on Investment Income of Children Under Age 14. For 1987 children under age 14 who have more than $1,000 of investment income (such as taxable interest or dividends) will generally pay tax on such income at their parents' tax rate. The children's other income, if any, will be taxed at their own tax rate. See **Form 8615** under the line 37 instructions on page 16

Alternative Minimum Tax. The tax rate has been increased to 21% and several tax preference items have been added or deleted. See the instructions for line 49 on page 17 for more details

Travel, Meal, and Entertainment Expenses. Generally, only 80% of your qualified meal and entertainment expenses may be deducted. Meals do not qualify unless certain requirements are met. The rules regarding travel as education, luxury water travel, convention expenses, and tickets for entertainment have also changed Get **Publication 463**, Travel, Entertainment, and Gift Expenses, for details.

Employee Business Expenses. Generally, your unreimbursed business expenses are allowed only as a miscellaneous itemized deduction on **Schedule A** (Form 1040) and only to the extent they exceed 2% of your adjusted gross income Get **Publication 463** for details

Individual Retirement Arrangements (IRAs). Generally, if you were not covered by your employer's retirement plan, you may still deduct up to $2,000 of your IRA contributions but not more than your earned income However, if you were covered by a retirement plan at work, your IRA deduction may be reduced or eliminated. Nondeductible contributions may now be made to IRAs. See the instructions for lines 24a and 24b that begin on page 13 for details.

Moving Expenses. Moving expenses are allowed only as an itemized deduction on **Schedule A** (Form 1040).

Medical and Dental Expenses. You may deduct medical and dental expenses that are more than 7 5% of your adjusted gross income

Self-Employed Health Insurance Costs. If you were self-employed, you may be able to deduct as an adjustment to income up to 25% of the amount paid for health insurance for you, your spouse, and dependents. See the instructions for line 29 on page 14 for details

Tax-Exempt Interest Income. If you are required to file a return, any tax-exempt interest income you received or exempt-interest dividends you received from a mutual fund or other regulated investment company must be listed on your return. See the instructions for line 9 on page 10 for details

Interest Expense —

- Home mortgage interest on your residence is generally fully deductible However, interest on a mortgage taken out after August 16, 1986, may not be fully deductible. See the Schedule A instructions for lines 9a and 9b on page 22 for details.
- For 1987 only 65% of personal interest (such as interest on car loans and credit card balances for personal expenses) is deductible
- Investment interest (such as interest on a loan used to buy stock) is generally deductible to the extent it does not exceed your net investment income

For more details, see the Schedule A instructions for lines 9a through 13 on page 22

Allocation of Interest Expense. Whether your interest expense is subject to the new limits that apply to personal and investment interest depends on how and when the loan proceeds were used Special rules apply in determining the type of interest paid on loan proceeds deposited in a personal account (such as a checking account). For more details, get **Publication 545**, Interest Expense

Other Changes. The rules regarding the following items have also changed

- Depreciation and section 179 deduction (get **Publication 534**, Depreciation)
- Office in the home (get **Publication 587**, Business Use of Your Home).
- Tax treatment of scholarships (get **Publication 520**, Scholarships and Fellowships)

Additional Information. If you want more information about these and other tax law changes, get **Publication 553**, Highlights of 1987 Tax Changes, or **Publication 920**, Explanation of the Tax Reform Act of 1986 for Individuals You may also find the publications listed near the end of this booklet helpful in completing your return.

Important Reminders

Tax Shelter Registration Number. A person who sells (or otherwise transfers) to you an interest in a tax shelter must maintain a list of investors and give you the tax shelter registration number assigned to the tax shelter. You must attach to your tax return **Form 8271**, Investor Reporting of Tax Shelter Registration Number, to report this number. Penalties are provided if you fail to report this number on your tax return.

Employment Taxes for Household Employers. If you have a household employee, both you and the employee may have to pay a share of the social security tax on the employee's wages. You may also have to pay Federal unemployment tax, which is for your employee's unemployment insurance. For more details, get **Publication 503**, Child and Dependent Care Credit, and Employment Taxes for Household Employers.

Voluntary Contributions To Reduce the Public Debt. If you wish to make a contribution to reduce the public debt, enclose a separate check with your income tax return and make it payable to "Bureau of the Public Debt." You may be able to deduct this contribution on your 1988 tax return if you itemize your deductions. Please do not add it to any tax you may owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

Free Tax Help. IRS offers help in most areas to older, handicapped, and non-English speaking individuals in preparing their tax returns. Workshops explaining the tax aspects of owning your own business are also offered. For details, see **Free Tax Help** on page 21.

Assembling Your Return. Attach all schedules and forms in order of the "Attachment Sequence No." that is shown in the upper right corner of the schedule or form. For example, the "Attachment Sequence No." for **Schedule A** (Form 1040) is 07. Attach forms without an attachment sequence number and any additional information sheets at the end of your return. See **Step 6** on page 6 for more details.

Mailing Your Return. If you received an envelope with your forms booklet, please use it. If you didn't receive an envelope, or you moved during the year, see **Where To File** on page 5. Envelopes with insufficient postage will be returned by the post office.

Telephone Service for Tax Refund Information. If it has been at least 10 weeks since you mailed your 1987 tax return, you can call a telephone number to find out the status of your income tax refund. For details on how to use this service, see **Tele-Tax Information** (the page numbers are in the index).

Unresolved Tax Problems. The Problem Resolution Program is for taxpayers who have been unable to resolve their problems with IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. Although this office cannot change the tax law or technical decisions, it can assist in resolving problems that resulted from previous contacts.

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must tell you: our legal right to ask for the information, what major purposes we have in asking for it and how it will be used, what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

For the Internal Revenue Service, this Notice applies to tax returns and any papers filed with them and any questions we need to ask you so we can complete, correct, or process your return, figure your tax, and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law provides that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

How To Use This Instruction Booklet

The instructions are divided into five main sections.

- **Section 1** (see page 4) contains information on who must file, how to choose the correct form to use, and when to file a return.
- **Section 2** (see page 6) contains steps to help you prepare your return.
- **Section 3** (see page 6) contains line-by-line instructions for most of the lines on the return.
- **Section 4** (see page 20) contains general information.
- **Section 5** (see page 21) contains instructions for most of the lines on many of the schedules that may be attached to Form 1040.

If you follow the steps in Section 2 and the line-by-line instructions in Section 3, we feel you can fill in your return quickly and accurately. You may also find some of the publications and **Tele-Tax Information** listed in the instructions helpful.

Section 1—Filing Information.

Use the following charts to see if you **must file a tax return. Caution:** Also see **Other Filing Requirements** on page 5.

Who Must File (Caution: If you can be claimed as a dependent on another person's return, see Children and Other Dependents below.)

You must file a tax return if—

your marital status at the end of 1987 was:	and your filing status is:	and at the end of 1987 you were:	and your gross income* was at least:
Single (including divorced and legally separated)	Single	under 65	$4,440
		under 65 and blind	$4,900
		65 or over	$5,650
	Head of household	under 65	$4,440
		under 65 and blind	$6,300
		65 or over	$7,050
Married with a dependent child (or a child whom you cannot claim as a dependent because of the rules on page 8 for **Children of Divorced or Separated Parents**) and living apart from your spouse during the last 6 months of 1987	Head of household	under 65	$4,440
		under 65 and blind	$6,300
		65 or over	$7,050
Married and living with your spouse at end of 1987 (or on the date your spouse died)	Married, joint return	under 65 (both spouses)	$7,560
		under 65 (both spouses) and blind (one or both spouses)	$8,800
		65 or over (one spouse)	$9,400
		65 or over (both spouses)	$10,000
	Married, separate return	any age	$1,900
Married, not living with your spouse at end of 1987 (or on the date your spouse died)	Married, joint return or separate return	any age	$1,900
Widowed before 1987 and not remarried in 1987	Single	under 65	$4,440
		under 65 and blind	$4,900
		65 or over	$5,650
	Head of household	under 65	$4,440
		under 65 and blind	$6,300
		65 or over	$7,050
	Qualifying widow(er) with dependent child	under 65	$5,660
		under 65 and blind	$6,900
		65 or over	$7,500

**Gross Income usually means money, goods, and property you received on which you must pay tax. It does not include nontaxable benefits (such as tax-exempt interest). See page 9 of the instructions to find out which types of income you should include.*

Children and Other Dependents (Caution: If you were 65 or over, blind, or married, see below.)

If you were **Single** and can be claimed as a dependent on another person's return (such as your parents' return) and—

you had taxable interest, dividends, or other unearned income of:	and the total of that income plus your wages, tips, or other earned income was:	must you file a tax return?
$1 or more	$500 or less	NO
	more than $500	YES
$0	$2,540 or less	NO
	more than $2,540	YES

Example. Your parents are entitled to claim you as a dependent on their 1987 return. You earned $700 working part time at a drug store and $70 of interest income on your savings account. You must file a return for 1987 because you had at least $1 of unearned income (your interest income) and the total of your income ($770) was more than $500.

65 or Over, Blind, or Married. You must file a return if you can be claimed as a dependent on another person's return and you were—

Single (65 or over or blind) and your—

a. earned income (such as wages) was more than $3,750, or

b. unearned income (such as taxable interest and dividends) was more than $1,250 ($2,000 if 65 or over and blind); **or**

c. gross income was more than the total of

- your earned income (up to $3,000) or $500, whichever is greater, **plus**
- $750 ($1,500 if 65 or over and blind)

Married (under 65) and you had—

a. earned income (such as wages) of more than $1,880, **or**

b. any unearned income (such as taxable interest and dividends) and your gross income was more than $500, **or**

c. at least $5 of gross income and your spouse itemizes deductions on a separate return.

Married (65 or over or blind) and your—

a. earned income (such as wages) was more than $3,100, **or**

b. unearned income (such as taxable interest and dividends) was more than $1,100 ($1,700 if 65 or over and blind), **or**

c. gross income was more than the total of

- your earned income (up to $2,500) or $500, whichever is greater, **plus**
- $600 ($1,200 if 65 or over and blind), **or**

d. gross income was at least $5 and your spouse itemizes deductions on a separate return.

***Caution:** If your gross income was $1,900 or more, you generally cannot be claimed as a dependent. However, you can be claimed as a dependent on your parents' return if you were under age 19 at the end of 1987 or a full-time student and your parents meet the other 4 tests explained on page 8.*

Other Filing Requirements. You must file a return if any of the following applied for 1987.

- You owe any special taxes, such as
  - —social security tax on tips you did not report to your employer,
  - —uncollected social security tax or RRTA tax on tips you reported to your employer;
  - —alternative minimum tax,
  - —tax on an Individual Retirement Arrangement (IRA) or a qualified retirement plan; or
  - —tax from recapture of investment credit
- You received any advance earned income credit (EIC) payments from your employer(s).
- You had net earnings from self-employment income of at least $400.
- You had wages of $100 or more from a church or qualified church-controlled organization that is exempt from employer social security taxes.
- You exclude income from sources within American Samoa and your gross income was at least $1,900

These rules apply to all U.S. citizens and resident aliens. They also apply to nonresident aliens and dual-status aliens who are married to U S citizens or residents at the end of 1987 and who have elected to be treated as resident aliens.

If you were a nonresident alien at any time during 1987 (except as mentioned above), different rules apply You may have to file **Form 1040NR,** U S Nonresident Alien Income Tax Return Also get **Publication 519,** U.S Tax Guide for Aliens

Note: *Specific rules apply to determine if you are a resident or nonresident alien. See Publication 519 for details.*

Who Should File

Even if you do not have to file, you should file to get a refund if Federal income tax was withheld from any payments to you or if you can take the earned income credit If you file for either of these reasons only, you may be able to use Form 1040A If you file only to get a refund of tax withheld, you may be able to use Form 1040EZ

When To File

You should file as soon as you can after January 1, but not later than April 15, 1988

If you file late, you may have to pay penalties and interest See **Penalties and Interest** on page 20.

If you know that you cannot file by the due date, you should ask for an extension using **Form 4868,** Application for Automatic Extension of Time To File U S Individual Income Tax Return.

Note: *Form 4868 does not extend the time to pay your income tax See the instructions for Form 4868*

If you are living or traveling outside the United States and Puerto Rico on April 15, you can get an automatic 2-month extension of time to file. Just attach a statement to your return explaining the details

Where To File

If an addressed envelope came with your return, please use it If you do not have one, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live No street address is needed

If you are located in:	Use this address.
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 39901
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
Connecticut Maine, Massachusetts, Minnesota, New Hampshire, New York (all other counties), Rhode Island, Vermont	Andover, MA 05501
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255
Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Arkansas, Indiana, North Carolina, Tennessee, Virginia	Memphis, TN 37501
American Samoa	Philadelphia, PA 19255
Guam	Commissioner of Revenue and Taxation Agana, GU 96910
Puerto Rico (or if excluding income under section 933) Virgin Islands Nonpermanent residents	Philadelphia, PA 19255
Virgin Islands Permanent residents	V I Bureau of Internal Revenue P O Box 3186 St Thomas, VI 00801
Foreign country U S citizens and those filing Form 2555 or Form 4563, even if you have an A P O or F P O address	Philadelphia PA 19255
A P O or F P O address of	Miami—Atlanta, GA 39901 New York—Holtsville, NY 00501 San Francisco—Fresno, CA 93888 Seattle—Ogden, UT 84201

Which Form To File

You MAY Be Able To Use Form 1040EZ If:

- You were single and do not claim any dependents.
- You were not 65 or over OR blind
- You had **only** wages, salaries, and tips, and not more than $400 of taxable interest income
- Your taxable income is less than $50,000
- You do not itemize deductions or claim any adjustments to income or tax credits.

You MAY Be Able To Use Form 1040A If:

- You had income **only** from wages, salaries, tips, unemployment compensation, interest, or dividends
- Your taxable income is less than $50,000
- You do not itemize deductions.

You can also use Form 1040A to claim the deduction for certain contributions to an Individual Retirement Arrangement (IRA), nondeductible contributions to an IRA, and the credit for child and dependent care expenses

Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless using Form 1040 lets you pay less tax However, even if you meet the above tests, you must file Form 1040 if any of the following situations applies to you.

You MUST Use Form 1040 If:

- Your taxable income is $50,000 or more
- You itemize deductions. (Read the instructions for line 33a that begin on page 15 to see if it would benefit you to itemize.)
- You are a qualifying widow(er) with a dependent child
- You received, as a nominee, interest or dividends that actually belong to another person.
- You received or paid accrued interest on securities transferred between interest payment dates.
- You received any nontaxable dividends or capital gain distributions
- You are required to fill in Part III of Schedule B for foreign accounts and foreign trusts (see page 25 of the instructions).
- You had any of the kinds of income shown on Form 1040, lines 11 through 18, 20b, and 21, such as taxable social security or railroad retirement benefits.
- You take any of the adjustments to income shown on Form 1040, lines 23, 25 through 28, or any write-in amount included on line 29
- You claim any of the credits on Form 1040, lines 41, 44, 45, or any write-in amount included on lines 42 or 46
- You owe any of the taxes on Form 1040, lines 38, 48 through 52, or any write-in amount included on line 53 (other than advance EIC payments).
- You claim any of the payments on Form 1040, lines 55, 59, 60, or any write-in amount included on lines 60 or 61.
- You file any of these forms:

Form 1040-ES, Estimated Tax for Individuals, for 1987 (or if you want to apply any part of your 1987 overpayment to estimated tax for 1988).

Form 2210, Underpayment of Estimated Tax by Individuals

Form 2555, Foreign Earned Income

Form 4563, Exclusion of Income From Sources in American Samoa

Form 8271, Investor Reporting of Tax Shelter Registration Number

Section 2
Steps for Preparing Your Return

Follow the six useful steps below to help you prepare your return If you follow these steps and read the line-by-line instructions, we feel that you can fill in your return quickly and accurately

Step 1— Get all of your records together.

Income Records. These include any Forms **W-2, W-2G, W-2P,** and **1099** that you may have If you don't get a Form W-2 by February 1, 1988, or if the one you get isn't correct, please contact your employer as soon as possible Only your employer can give you a Form W-2, or correct it If you cannot get a Form W-2 by February 15, call the toll-free telephone number listed in the instructions for your area You will be asked for your employer's name, address, and, if known, identification number

If you have someone prepare your return for you, you are still responsible for the correctness of the return

Itemized Deductions and Tax Credits. Pages 17 through 24 of these instructions tell you what credits and itemized deductions you can take Some of the records you may need are

- Medical and dental payment records
- Real estate and personal property tax receipts
- Interest payment records for items such as a home mortgage, car, or appliances
- Records of payments for child and dependent care so you could work

Step 2— Get any forms, schedules, or publications you need.

In general, we mail forms and schedules to you based on what you filed last year Before you fill in your return, look it over to see if you need more forms or schedules

If you think you will need any other forms, get them before you start to fill in your return Most IRS offices and many local banks, post offices, and libraries may have some of them Or, you can use the order blank on the next to the last page of this instruction booklet We will send you the forms, schedules, instructions, and publications you ask for.

Step 3— Fill in your return.
Step 4— Check your return to make sure it is correct.
Step 5— Sign and date your return.

Form 1040 is not considered a return unless you sign it Your spouse must also sign if it is a joint return

Step 6— Attach all required forms and schedules.

Attach the first copy or Copy B of Forms W-2, W-2G, and W-2P to the front of Form 1040

If you need more space on forms or schedules, attach separate sheets and use the same format as the printed forms, but show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and social security number on these separate sheets and attach them at the end of your return.

If you owe tax, be sure to attach your payment to the front of Form 1040.

Section 3
Line-By-Line Instructions

Name, Address, and Social Security Number

If you received a mailing label from us, please use it. But don't attach your label to your return until you complete the return. Make sure the label is correct If it isn't, mark through the label and make corrections on the label.

Caution: *If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order*

If you do not have a label, print or type your name, address, and social security number. If filing a joint return, be sure you enter your names and social security numbers in the same order as shown on your 1986 return.

P.O. Box. If your post office does not deliver mail to your street address and you have a P O box, enter your P O box number on the line for your present home address instead of your street address

Social Security Number. If you are married, give social security numbers for both you and your spouse whether you file joint or separate returns.

If your spouse is a nonresident alien, has no income, does not have a social security number, and you file a separate return, enter "NRA" in the block for your spouse's social security number. If you and your spouse file a joint return, your spouse must get a social security number.

If you don't have a social security number, you can get one by filing **Form SS-5** with a local Social Security Administration office If you don't have a number by the time you are ready to file your return, apply for one and enter "Applied for" in the block for your social security number.

Name Change. If you have changed your name because of marriage, divorce, etc , make sure you immediately notify the Social Security Administration (SSA) so the name on your tax return is the same as the name SSA has on its records This may prevent delays in issuing your refund

Joint Return. If you are married, filing a joint return, show the social security numbers in the same order that you show your first names. If you and your spouse have different last names, please separate the names with an "and." For example "John Brown and Mary Smith."

Presidential Election Campaign Fund

Congress established this fund to support public financing of Presidential election campaigns

You may have $1 go to the fund by checking the **Yes** box. On a joint return, each of you may choose to have $1 go to this fund, or each may choose not to. One may choose to have $1 go to this fund and the other may choose not to

If you check **Yes,** it will not change the tax or refund shown on your return.

Filing Status Lines 1 through 5

Single

Consider yourself single if on December 31 you were unmarried or separated from your spouse either by divorce or separate maintenance decree and you do not qualify for another filing status State law governs whether you are married, divorced, or legally separated.

If you were married on December 31, consider yourself married for the whole year. If you meet the tests explained on page 7 for **Married Persons Who Live Apart,** you may consider yourself single for the whole year and file as head of household

If your spouse died in 1987, consider yourself married to that spouse for the whole year, unless you remarried before the end of 1987

Married

Joint or Separate Returns?

Generally, married couples will pay less tax if they file a joint return because the tax rate for married persons filing jointly is lower than the tax rate for married persons filing separately However, as a result of some of the changes in the tax law, such as the increased income limit that applies to medical and dental expenses and the new Individual Retirement Arrangement deduction rules that apply to certain individuals, you may want to figure your tax both ways to see which filing status is to your tax benefit

Joint Returns. If you file a joint return, you must report all income, exemptions, deductions, and credits for you and your spouse Both of you must sign the return, even if only one of you had income

You and your spouse can file a joint return even if you did not live together for the whole year Both of you are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to

Note: *If you file a joint return, you may not, after the due date of the return, choose to file separate returns for that year.*

If your spouse died in 1987, you can file a joint return for 1987. You can also file a joint return if your spouse died in 1988 before filing a 1987 return. For details on how to file the joint return, see **Death of Taxpayer** on page 21

Tax Tip: *If you decide not to file a joint return and plan to file a separate return, see if you can lower your tax by meeting the tests described on page 7 under* ***Married Persons Who Live Apart***

Special Rule for Aliens.—If at the end of 1987, you were a nonresident alien or dual-status alien married to a U.S. citizen or resident alien, you may be able to file a joint return with your spouse. If you do file a joint return, you and your spouse must agree to be taxed on your combined worldwide income For more details, get **Publication 519,** U S. Tax Guide for Aliens

Separate Returns. You can file separate returns if both you and your spouse had income, or if only one of you had income

If you file a separate return, you each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return. However, if you live in a community property state, special rules apply. For details, get **Publication 555.**

If you file a separate return, you generally cannot take the credit for child and dependent care expenses and you cannot take the earned income credit. If you lived with your spouse at any time in 1987, you cannot take the credit for the elderly or for the permanently and totally disabled and you may have to include in income up to one-half of any social security benefits or equivalent railroad retirement benefits you received in 1987. If your spouse itemizes deductions, you cannot take the standard deduction

If you file a separate return, enter your spouse's full name in the space provided on line 3 and your spouse's social security number in the block provided for that number

If your spouse does not file, check the box on line 6b if you can claim an exemption for your spouse. Please see **For Your Spouse** on this page

Married Persons Who Live Apart. Some married persons who have a child and who do not live with their spouse may file as head of household and use tax rates that are lower than the rates for single or for married filing a separate return. This also means that you can take the standard deduction even if your spouse itemizes deductions. You may also be able to claim the earned income credit

You should check the box on line 4, Head of household, if you meet **ALL 4** of the following tests

1. You file a separate return from your spouse
2. You paid more than half the cost to keep up your home in 1987
3. Your spouse did not live with you at any time during the last 6 months of 1987
4. For over 6 months of 1987, your home was the principal home of your child or stepchild whom—

a. you can claim as a dependent, **OR**

b. the child's other parent claims as a dependent under the rules explained on page 8 for **Children of Divorced or Separated Parents.** (Enter this child's name in the space provided on line 4.)

Head of Household

Tax Tip: The tax rates for a person who can meet the tests for head of household are lower than the rates for single or for married filing a separate return.

You may use this filing status **ONLY IF** on December 31, 1987, you were unmarried (including certain married persons who live apart, as discussed above) or legally separated and meet test **1** or **2** below

1. You paid more than half the cost of keeping up a home, which was the principal home of your father or mother whom you can claim as a dependent **OR**
2. You paid more than half the cost of keeping up the home in which you lived and in which one of the following also lived for more than 6 months of the year (except for temporary absences, such as for vacation or school)

a. Your **unmarried** child, grandchild, adopted child, or stepchild. This child does not have to be your dependent. However, your foster child must be your dependent

Note: If this child is not your dependent, you must enter the child's name in the space provided on line 4

b. Your **married** child, grandchild, adopted child, or stepchild. This child must be your dependent. But if your married child's other parent claims him or her as a dependent under the rules on page 8 for **Children of Divorced or Separated Parents,** this child does not have to be your dependent. (If your child is not your dependent because of these rules, you must enter the child's name in the space provided on line 4.)

c. Any other relative listed below whom you can claim as a dependent

Parent	Brother-in-law
Grandparent	Sister-in-law
Brother	Son-in-law
Sister	Daughter-in-law, or
Stepbrother	if related by blood
Stepsister	Uncle
Stepmother	Aunt
Stepfather	Nephew
Mother-in-law	Niece
Father-in-law	

Note: See instructions for line 6c for the definition of dependent

Special rules

- If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you
- You cannot file as head of household if you claim a relative described in **1** or **2** above as a dependent under a **Multiple Support Declaration.** (See page 8 for details on dependents supported by two or more taxpayers.)

Qualifying Widow or Widower With a Dependent Child

If your spouse died in 1985 or 1986 and you did not remarry in 1987, you may be able to use joint return tax rates for 1987. You can figure your tax at joint return rates if you meet **ALL 3** of the following tests

1. You could have filed a joint return with your spouse for the year your spouse died, even if you didn't actually do so.
2. Your dependent child, stepchild, adopted child, or foster child lived with you (except for temporary absences, such as for vacation or school).
3. You paid over half the cost of keeping up the home for this child for the whole year

Check the box on line 5, Qualifying widow(er) with dependent child, and show the year your spouse died in the space provided. **Do not** claim an exemption for your spouse

If your spouse died before 1985 and you were single in 1987, you may check the box on line 4 if you meet the tests under **Head of Household.** Otherwise, you must file as single.

Exemptions

Line 6a

For Yourself

Check the box on line 6a unless you can be claimed as a dependent on another person's return (such as your parents' return)

Line 6b

For Your Spouse

If you file a joint return and your spouse cannot be claimed as a dependent on another person's return, check the box on line 6b. If you file a separate return, you can take an exemption for your spouse only if your spouse is not filing a return, had no income, and was not the dependent of someone else

If at the end of 1987 you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you are considered married for the whole year

If your spouse died in 1987 and you did not remarry before the end of 1987, check the box on line 6b if you could have taken an exemption for your spouse on the date of death

Nonresident Alien Spouse. If you do not file a joint return, you may claim an exemption for your spouse only if your spouse had no income from U.S. sources and is not the dependent of another taxpayer. Check the box on line 6b to claim an exemption for a nonresident alien spouse and enter "NRA" to the right of the word Spouse on line 6b

Line 6c

Children and Other Dependents

You can take an exemption for each person who is your dependent (defined on page 8). Enter the full names and other information for your dependent children and other dependents. If you have more than seven dependents, show the information requested in columns **(1)** through **(5)** for each of those dependents on an attached statement. When entering the total number of dependents in the boxes to the right of line 6c, be sure to include these dependents

Column (2). If your dependent listed in column **(1)** was under age 5 on December 31, 1987, enter a check mark in column **(2)**

Column (3). If your dependent was age 5 or over on December 31, 1987, you must enter his or her social security number. If you don't or if the number entered is incorrect, you may have to pay a penalty

If your dependent does not have a social security number, a number may be obtained by filing **Form SS-5** with a local Social Security Administration office. If your dependent does not have a number by the time you are ready to file your return, apply for one and enter "Applied for" in column **(3)**

Column (5). If your dependent lived with you in 1987 except for temporary absences, such as for vacation or school, enter "12" in column **(5)**. Otherwise, enter the number of months that your dependent actually lived with you during 1987

Children Who Didn't Live With You. If you are claiming a child under the rules explained on page 8 for **Children of Divorced or Separated Parents,** enter the total number of such children in the box to the right of line 6c labeled "No. of children on 6c who didn't live with you due to divorce or separation." You must either

- attach **Form 8332,** Release of Claim to Exemption for Child of Divorced or Separated Parents, or similar statement, **OR**
- check the box on line 6d for pre-1985 agreements if you have such an agreement that states you are entitled to claim the child as a dependent

Enter the total number of dependent children who did not live with you for other reasons in the box labeled "No. of other dependents listed on 6c."

Birth or Death of Dependent. You can take an exemption for a dependent who was born or who died during 1987 if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent

For more details, get **Publication 501,** Exemptions and Standard Deduction.

Dependent. A dependent is any person who meets **ALL 5** of these tests

1. income;
2. support,
3. married dependent,
4. citizenship or residence, and
5. relationship

These tests are explained below

1. Income

In general, the person must have received less than $1,900 of gross income. Gross income does not include nontaxable income, such as welfare benefits or nontaxable social security benefits.

Income received by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included in gross income for purposes of the income test. Get Publication 501 for details

Special Rules for Your Dependent Child. Even if your child had income of $1,900 or more, you can claim your child as a dependent if tests 2, 3, and 4 below are met, and

- your child was under 19 at the end of 1987, or
- your child was enrolled as a full-time student at a school during any 5 months of 1987, or
- your child took a full-time, on-farm training course during any 5 months of 1987. (The course had to be given by a school or a state, county, or local government agency.)

The school must have a regular teaching staff, a regular course of study, and a regularly enrolled body of students in attendance

A school includes

- elementary, junior, and senior high schools;
- colleges and universities, and
- technical, trade, and mechanical schools

However, school does not include on-the-job training courses or correspondence schools

2. Support

In general, you must have given over half of the dependent's support in 1987. If you file a joint return, the support can be from you or your spouse. Even if you did not give over half of the dependent's support, you will be treated as having given over half of the support if you meet the tests explained below for **Children of Divorced or Separated Parents** or **Dependent Supported by Two or More Taxpayers**

In figuring total support, you must include money the dependent used for his or her own support, even if this money was not taxable (for example, gifts, savings, welfare benefits).

Support includes items such as food, a place to live, clothes, medical and dental care, recreation, and education. In figuring support, use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value

Do not include in support items such as income and social security taxes, premiums for life insurance, or funeral expenses

Capital items—You must include capital items such as a car or furniture in figuring support, but only if they were actually given to, or bought by, the dependent for his or her use or benefit. Do not include the cost of a capital item for the household or for use by persons other than the dependent

If you cared for a foster child, see **Publication 501** for special rules that apply

Children of Divorced or Separated Parents. The parent who has custody of a child for most of the year (the custodial parent) can generally take the exemption for that child if the child's parents together paid more than half of the child's support. This general rule also applies to parents who did not live together at any time during the last 6 months of the year. But the parent who does not have custody, or who has the child for the shorter time (the noncustodial parent), may take the exemption if either **a** or **b** below applies

a. The custodial parent signs **Form 8332,** Release of Claim to Exemption for Child of Divorced or Separated Parents, or similar statement, agreeing not to claim an exemption for the child in 1987, and the noncustodial parent attaches the form, or similar statement, to his or her 1987 tax return, **OR**

b. A decree of divorce or separate maintenance (or a written agreement) that was in effect before 1985 states that the noncustodial parent can take the exemption and he or she gave at least $600 for the child's support in 1987. The noncustodial parent must check the box on line 6d for pre-1985 agreements. (This rule does not apply if the decree or agreement was modified after 1984 to specify that the noncustodial parent cannot claim the exemption.)

Note: In figuring support, a parent who has remarried may count the support provided by the new spouse.

Dependent Supported by Two or More Taxpayers. Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of the support. One of the taxpayers may claim the person as a dependent only if the tests for income, married dependent, citizenship or residence, and relationship, discussed on this page are met

In addition, the taxpayer who claims the dependent must

a. have paid more than 10% of the dependent's support, and

b. attach to his or her tax return a signed **Form 2120,** Multiple Support Declaration, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption in 1987 for the person he or she helped to support

3. Married Dependent

The dependent did not file a joint return. However, if neither the dependent nor the dependent's spouse is required to file, but they file a joint return to get a refund of all tax withheld, you may claim him or her if the other 4 tests are met

4. Citizenship or Residence

The dependent **must have been** a citizen or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by and living the entire year with a U.S. citizen in a foreign country

5. Relationship

The dependent met test **a** or **b** below

a. Was related to you (or your spouse if you are filing a joint return) in one of the following ways

Child	Stepbrother	Son-in-law
Stepchild	Stepsister	Daughter-in-law
Mother	Stepmother	or, if related by
Father	Stepfather	blood
Grandparent	Mother-in-law	Uncle
Brother	Father-in-law	Aunt
Sister	Brother-in-law	Nephew
Grandchild	Sister-in-law	Niece

***Note:** Any relationships that have been established by marriage are not treated as ended by death or divorce.*

b. Was any other person who lived in your home as a member of your household for the whole year. **A person is not a member of your household** if at any time during your tax year the relationship between you and that person violates local law

The word child includes

- Your son, daughter, stepson, stepdaughter, or adopted son or daughter
- A child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption
- A foster child (any child who lived in your home as a member of your family for the whole year).

Income

Examples of Income You Do Not Report

(Do not include these amounts when you decide if you must file a return.)

Welfare benefits

Disability retirement payments (and other benefits) paid by the Veterans' Administration

Workers' compensation benefits, insurance damages, etc., for injury or sickness

Child support

Gifts, money, or other property you inherited or that was willed to you

Dividends on veterans' life insurance

Life insurance proceeds received because of a person's death.

Amounts you received from insurance because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your normal expenses while living in your home (You must report as income reimbursements for normal living expenses)

Amounts an employer contributed on your behalf and benefits provided to you as an employee or the spouse or dependent of an employee, under a qualified group legal services plan.

Certain amounts received as a scholarship (get **Publication 520**, Scholarships and Fellowships)

Cancellation of certain student loans where the student, under the terms of the loan, performs certain professional services for any of a broad class of employers (see Publication 520).

Examples of Income You Must Report

The following kinds of income should be reported on Form 1040, or related forms and schedules, in addition to the types of income listed on Form 1040, lines 7 through 20b You may need some of the forms and schedules mentioned below

Amounts received as a scholarship granted after August 16, 1986, for room and board or travel and any other amounts received for expenses other than tuition and course-related expenses (see Publication 520)

Amounts received as a scholarship that are payment for teaching, research, or other services even if the services were required to get the grant

Original Issue Discount (Schedule B).

Distributions from SEPs and DECs

Amounts received in place of wages, from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy

Bartering income (fair market value of goods or services you received in return for your services).

Business expense reimbursements you received that are more than you spent for these expenses

Tier 2 and supplemental annuities under the Railroad Retirement Act

Life insurance proceeds from a policy you cashed in if the proceeds are more than the premium you paid

Your share of profits from S corporations (Schedule E).

Endowments.

Lump-sum distributions (Form 4972) (See page 11.)

Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems, or other property (Schedule D or Form 4797)

Gains from the sale of your personal residence (Schedule D and Form 2119)

Accumulation distributions from trusts (Form 4970)

Prizes and awards (contests, raffles, lottery, and gambling winnings)

Earned income from sources outside the United States (Form 2555)

Director's fees

Fees received as an executor or administrator of an estate

Embezzled or other illegal income

U.S. Citizens Living Abroad

Generally, foreign source income must be reported. Get **Publication 54**, Tax Guide for U.S. Citizens and Resident Aliens Abroad, for more details.

Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

If you and your spouse live in a community property state, you must follow state law to determine what is community income and what is separate income However, different rules could apply if

- you and your spouse lived apart all year,
- you do not file a joint return, and
- no part of the community income you earn is transferred to your spouse

For details, get **Publication 555**, Community Property and the Federal Income Tax.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar For example, $1 39 becomes $1 and $2 50 becomes $3

If you do round off, do so for all amounts However, if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and only round off the total

Example. You received two W-2 forms, one showing wages of $5,000 55 and one showing wages of $18,500 73 On Form 1040, line 7, you would enter $23,501 ($5,000.55 + $18,500.73 = $23,501 28) instead of $23,502 ($5,001 + $18,501)

Line 7

Wages, Salaries, Tips, Etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc , were taken out For information on allocated tips, get **Publication 531**, Reporting Income From Tips.

Include in this total:

- The amount that should be shown in Box 10 on **Form W-2** Report all wages, salaries, and tips you received, even if you do not have a Form W-2
- Tips received that you did not report to your employer (Show any social security tax due on these tips on line 51—see the instructions on page 17)

Note: *Any tip allocation amount shown on Form W-2 may be added to your gross income unless you are able to prove a lesser amount with adequate records*

- Disability pensions if you have not reached the minimum retirement age set by your employer.

Note: *Except for those disability pensions mentioned above, pensions shown on* ***Form W-2P*** *are reported on lines 16a and 16b of Form 1040*

- Payments by insurance companies, etc., not included on Form W-2 If you receive sick pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 7 Attach a statement showing the name and address of the payer and amount of sick pay or disability income. (Get **Form W-4S** for information on withholding of Federal income tax from your sick pay.)
- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept on your employer's business premises as a condition of employment.
- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received Don't report benefits that were gifts.
- Any amount your employer paid for your moving expenses (including the value of services furnished in kind) that is not included in Box 10 on Form W-2

Note: *You must report on line 7 all wages, salaries, etc , paid for your personal services, even if the income was signed over to a trust (including an IRA), another person, a corporation, or a tax-exempt organization*

For more details on reporting income received in the form of goods, property, meals, stock options, etc., get **Publication 525**, Taxable and Nontaxable Income

Fringe Benefits. If you used an employer-provided highway motor vehicle for both personal and business use and your employer included 100% of the fair rental value of the vehicle in the wages, tips, and other compensation box (Box 10) of your W 2 form, you must use **Form 2106**, Employee Business Expenses, to claim a deduction for the business use of the vehicle. (The total fair rental value of the vehicle should be shown in Box 16a of your W-2 form or on a separate statement) You must report on Form 1040, line 7, the total amount shown in Box 10 of your W-2 form. For more details, get Publication 525

Excess Salary Deferrals. Beginning in 1987, if you choose to have your employer contribute part of your pay to certain retirement plans (such as a 401(k) or the Federal Thrift Savings Fund) instead of having it paid to you, the Form W-2 you get from that employer should have the "Deferred compensation" box in Box 5 checked. The amount deferred should be shown in Box 16. The total amount that may be deferred each year under all plans is generally limited to $7,000. Any amount deferred in excess of $7,000 must be reported on Form 1040, line 7 Amounts deferred under a tax-sheltered annuity plan may have a higher limit Get Publication 525 for details.

Line 8

Taxable Interest Income

Enter **ALL** of your taxable interest income. If the total interest is more than $400, first fill in Schedule B (see page 24 of the instructions).

Report any interest you received or that was credited to your account so you could withdraw it (It does not have to be entered

in your passbook.) Interest that was credited in 1987 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1987 income. For details, get **Publication 550**, Investment Income and Expenses

Generally, the payer will send you a **Form 1099-INT** or, if applicable, a **Form 1099-OID** for this interest.

If you received, as a nominee, interest that actually belongs to someone else, see Schedule B instructions on page 24

Caution: *Be sure to give each payer of interest income your correct social security number Otherwise, the payer may have to withhold 20% of the interest You may also be subject to penalties*

For more details, get Publication 550.

Examples of Taxable Interest Income You MUST Report

Report interest from:

- Accounts (including certificates of deposit and money market accounts) with banks, credit unions, and savings and loan associations.
- Building and loan accounts.
- Notes, loans, and mortgages Special rules apply to loans with below-market interest rates Get **Publication 525.**
- Tax refunds (report only the interest on them as interest income)
- Bonds and debentures. Also arbitrage bonds issued by state and local governments after October 9, 1969 (Report interest on other state and local bonds and securities on line 9) Also report as interest any gain on the disposition of certain market discount bonds issued to you after July 18, 1984, to the extent of the accrued market discount
- U.S Treasury bills, notes, and bonds.
- U S Savings Bonds The interest is the yearly increase in the value of the bond. Interest on Series E or EE bonds can be reported using method **a** or **b** below

a. Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest, **OR**

b. Each year report on your return the yearly increase of the bonds' value

If you change to method **b**, report the entire increase in all your bonds from the date they were issued Each year after report only the yearly increase Once you have used method b to report your interest, you must continue to do so for all your U S Savings Bonds.

Note: *If you receive for 1987 a Form 1099-INT for U S Savings Bond interest, which includes amounts reported before 1987, see Publication 550*

- Original Issue Discount (OID). This is the difference between the issue price of a debt instrument and the stated redemption price at maturity If the instrument was issued at a discount after May 27, 1969 (or for certain noncorporate instruments after July 1, 1982), include in your interest income the discount for the part of the year you held it

If you bought a corporate debt instrument at original issue and held it for all of 1987 or the part of 1987 that it was outstanding, include in interest income the total OID from Form 1099-OID If you bought a corporate instrument after its original issue, or if you did not hold it for all of 1987, get **Publication 1212**, List of Original Issue Discount Instruments, for information on how to figure your taxable OID. If you held a noncorporate debt instrument (such as a zero coupon U.S Treasury-backed security) during 1987, see Publication 1212 to figure your taxable OID

If you had OID for 1987, but did not receive Form 1099-OID, or if the price you paid for the instrument is more than the issue price plus accumulated OID, see Publication 1212 It provides total OID on the instruments listed and gives computational information

Also include in your interest income any other periodic interest shown on Form 1099-OID.

Line 9

Tax-Exempt Interest Income

Beginning in 1987, if you received any tax-exempt interest income (such as interest on certain state and municipal bonds), that interest must be reported on your return. Enter the total tax-exempt interest you received in 1987 on line 9 Also, report any exempt-interest dividends you received as a shareholder in a mutual fund or other regulated investment company **Do not** include this interest in your total income on line 22

Line 10

Dividends

Beginning in 1987, the dividend exclusion may no longer be claimed

Dividends are distributions of money, stock, or other property that corporations pay to stockholders They also include dividends you receive through a partnership, an S corporation, or an estate or trust Payers include nominees or other agents. Generally, the payer will send you a **Form 1099-DIV** for these dividends.

If you received, as a nominee, dividends that actually belong to someone else, see Schedule B instructions on page 25

Caution: *Be sure to give each payer of dividends your correct social security number Otherwise, the payer may have to withhold 20% of the dividend income You may also be subject to penalties*

If the total dividends, including capital gain and nontaxable distributions, are more than $400, first fill in Schedule B (see page 25 of the instructions) If you received $400 or less in dividends, include only the ordinary dividends on line 10

Dividends Include:

- **Ordinary dividends.** These are paid out of earnings and profits and are ordinary income. Assume that any dividend you receive is an ordinary dividend unless the paying corporation tells you otherwise
- **Capital gain distributions.** If you have other capital gains or losses, also enter your capital gain distributions on Schedule D. If you don't need Schedule D to report any other gains or losses, enter your capital gain distributions on Form 1040, line 14, unless the **Tax Tip** below applies Write "CGD" on the dotted line to the left of line 14

Tax Tip: *It will be to your advantage to report your capital gain distributions on Schedule D and use Part IV of that schedule to figure your tax if your taxable income (Form 1040, line 36) is* ***more than:*** *$27,000 if you checked Filing Status box 1; $45,000 if you checked Filing Status box 2 or 5; $22,500 if you checked Filing Status box 3; or $38,000 if you checked Filing Status box 4*

- **Nontaxable distributions.** Some distributions are nontaxable because they are a return of your cost They will not be taxed until you recover your cost You must reduce your cost (or other basis) by these distributions After you get back all of your cost (or other basis), you must report these distributions as capital gains

Note: *Generally, payments from a money market fund are dividends*

Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid
- Amounts paid on deposits or accounts from which you could withdraw your money, such as mutual savings banks, cooperative banks, and credit unions Remember to report these amounts as interest on line 8

Line 11

Taxable Refunds of State and Local Income Taxes

If you received a refund (or credit or offset) of state or local income taxes in 1987 that you paid and deducted before 1987, you may have to report all or part of this amount as income if your itemized deduction for state and local income taxes in the year you paid the taxes resulted in a tax benefit You may receive **Form 1099-G**, or similar statement, showing the refund

Any part of a refund of state or local income taxes paid before 1987 that you were entitled to receive in 1987 but chose to apply to your 1987 estimated state income tax is considered to have been received in 1987

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Schedule A (Form 1040), or it was for a year in which you filed Form 1040A or Form 1040EZ

If the refund was for a tax you paid in a year for which you itemized deductions on Schedule A, use the worksheet on page 11 to figure the amount, if any, you must report as income for 1987.

However, see **Recoveries** in **Publication 525**, Taxable and Nontaxable Income, instead of using the worksheet on page 11 if any of the following applies

- The refund you received in 1987 is for a tax year other than 1986
- You received a refund (other than an income tax refund, such as a real property tax refund) in 1987 of an amount you deducted or credit you claimed in an earlier year.
- Your 1986 taxable income was less than your 1986 zero bracket amount
- Your last payment of 1986 estimated state income tax was made in 1987
- You were liable for the alternative minimum tax in 1986.
- You could not deduct the full amount of the credits you were entitled to in 1986 because the total credits exceeded the tax shown on your 1986 Form 1040, line 40

Worksheet—see line 11 instructions on page 10 (Keep for your records)

1. Enter the income tax refund from **Form(s) 1099-G** (or similar statement)
2. Enter the amount from your 1986 Schedule A, line 26
3. **Taxable part of your refund** Compare the amounts on lines 1 and 2 above, and enter the **smaller** of the two amounts here and on Form 1040, line 11

Line 12

Alimony Received

Enter amounts you received as alimony or separate maintenance You must let the person who made the payments know your social security number If you do not provide this information to the payer, you may have to pay a $50 penalty For more details, get **Publication 504**, Tax Information for Divorced or Separated Individuals

If you received payments under a divorce or separation instrument executed after 1984 see the instructions for line 28 on page 15 for information on the rules that apply in determining whether these payments qualify as alimony

Line 14

Capital Gain or (Loss)

Enter the gain or (loss) from Schedule D If you do not need Schedule D for other capital transactions, enter your capital gain distributions on line 14 Write "CGD" on the dotted line to the left of line 14

Line 15

Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the instructions for **Form 4797**. Enter the gain or (loss) from Form 4797

Lines 16a and 16b

Pensions, IRA Distributions, Annuities, and Rollovers

Use lines 16a and 16b to report pension and annuity income and regular individual retirement arrangement (IRA) distributions you received Also, use these lines to report distributions from profit sharing plans, retirement plans, employee savings plans, and IRA rollovers In general, you should receive a **Form W-2P** showing the amount of your pension or annuity Also see **Total Distributions From Profit-Sharing, Retirement Plans, and IRAs** on this page

Do not use lines 16a and 16b to report social security or railroad retirement benefits shown on **Forms SSA-1099** and **RRB-1099** Instead, see the instructions for lines 20a and 20b

Caution: *Beginning in 1987, if you received a premature or excess distribution from a qualified retirement plan, you may owe additional tax For details, get* ***Form 5329*** *and its instructions*

Fully Taxable Pensions and Annuities. Your pension or annuity payments are fully taxable if

- you did not contribute to the cost of your pension or annuity, or
- you got back tax free your entire cost before 1987

Fully taxable pensions and annuities also include military retirement pay shown on Form W-2P, most distributions from an IRA (including premature distributions, but not rollovers) and any taxable railroad retirement benefits from Box 12 of **Form RRB-W-2P**. If you received Form RRB W 2P and an amount is shown in Box 13 of your form, get **Publication 575**, Pension and Annuity Income, for information on how to report your benefits

If your pension or annuity is fully taxable, enter it on line 16b, no entry is required on line 16a

Other Pensions and Annuities. If your Form W-2P does not show the taxable part of your pension or annuity, you must figure the taxable amount as explained below

If your annuity starting date was **after** July 1, 1986, you must use the General Rule explained in Publication 575 and **Publication 721**, Comprehensive Tax Guide to U S Civil Service Retirement Benefits, to figure the taxable part of your pension or annuity Your annuity starting date is the later of the first day of the first period for which you receive a payment from the plan or the date on which the plan's obligations became fixed Both publications contain a worksheet you may use to figure the taxable part under this rule If you submit a ruling request before the due date of your return (including extensions), IRS will figure the taxable part for you get Publication 575 or 721 for details Enter the amount you received this year on line 16a Enter the taxable part on line 16b

If your annuity starting date was **before** July 2, 1986, and you meet both of the following requirements, complete the worksheet below to figure the taxable part, if any, of your pension or annuity If you do **not** meet both of the following requirements, you must use the General Rule to figure the taxable part

1. Both you and your employer contributed to the pension or annuity
2. The total amount you expected to receive within 3 years from the date of your first annuity payment equaled or exceeded your full cost (Your cost includes amounts you contributed and amounts your employer contributed that you reported as income)

Pension and Annuity Worksheet
(Keep for your records)

1a Enter your cost	
b. Cost recovered in prior years	
c. Subtract line 1b from line 1a	
2. Amount received this year Also enter this amount on Form 1040, line 16a	
3 Enter amount from line 1c above	
4 **Taxable amount**: Subtract line 3 from line 2 Enter the result (but not less than zero) Also enter this amount on Form 1040, line 16b	

Note *If you had more than one pension or annuity that is not fully taxable figure the taxable part of each separately Enter the total of the taxable parts on Form 1040, line 16b*

Caution: *Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions and may also be subject to penalties For details, see Publication 575*

For information on military disability pensions, get **Publication 525**, Taxable and Nontaxable Income

Total Distributions From Profit-Sharing, Retirement Plans, and IRAs

Rollover Distributions. A "rollover" is a tax-free transfer of cash or other assets from one retirement program to another There are two kinds of rollovers to an individual retirement arrangement (IRA) (1) a rollover from one IRA to another, and (2) a rollover from a qualified employer's plan to an IRA

Rollover distributions are reported to you on **Form 1099-R** For a rollover distribution, enter the total distribution (excluding your nondeductible contribution, if any) on line 16a If the total on line 16a was rolled over, enter zero on line 16b. Otherwise, enter the part that was not rolled over as ordinary income on line 16b Special rules apply to partial rollovers of property For details on partial or total IRA rollovers, get **Publication 590**, Individual Retirement Arrangements (IRAs)

For details on other rollovers, including distributions under qualified domestic relations orders, get **Publication 575**.

Lump-Sum Distributions. If you received a lump-sum distribution from a profit-sharing or retirement plan, you should receive a **Form 1099-R** showing the amount of the distribution Beginning in 1987, the total of the ordinary income part and the capital gain part should be entered on line 16b, no entry is required on line 16a However, you may pay less tax on this distribution if (1) you are eligible to treat the capital gain part as a long term capital gain on Schedule D (Form 1040), or (2) you were age 50 or over on January 1, 1986, and you are eligible to use the special 5- or 10-year averaging method or to have the capital gain part taxed at 20% (The 5- or 10 year averaging method cannot be used for lump-sum distributions from IRA plans) For more details, get **Form 4972**, Tax on Lump-Sum Distributions, and its instructions

Note: *If you received a 1987 Form 1099-R for a lump-sum distribution you received before March 16, 1987, and you elected to report that distribution on your 1986 return, enter the distribution on line 16a and zero (0) on line 16b Also write "LSE" on the dotted line to the left of line 16b*

Beneficiaries—Death Benefit Exclusion

If you are the beneficiary of a deceased employee or deceased former employee, amounts paid to you by, or on behalf of, an employer because of the death of the employee may qualify for a death benefit exclusion of up to $5,000.

Special rules apply if you are the survivor under a joint and survivor's annuity For details, get **Publication 575**

If you are entitled to this exclusion, add it to the cost of the pension or annuity

Line 19

Unemployment Compensation

Beginning in 1987, unemployment compensation (insurance) is fully taxable By February 1, 1988, you should receive a

Form 1099-G showing the total unemployment compensation paid to you during 1987

Use line 19 to report the unemployment compensation you received If you received an overpayment of unemployment compensation in 1987 and you repaid it in 1987, subtract the amount you repaid from the total amount you received and enter the result on line 19 Also write "repayment" and the amount you repaid on the dotted line to the left of line 19

Note: *Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages Report these benefits on Form 1040, line 7*

Lines 20a and 20b

Social Security Benefits and Equivalent Railroad Retirement Benefits

Social security benefits you receive may be taxable in some instances Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as a social security benefit Social security benefits do not include any Supplemental Security Income (SSI) payments

By February 1, 1988, you should receive a **Form SSA-1099** showing the total social security benefits paid to you in 1987, and the amount of any social security benefits you repaid in 1987 If you received railroad retirement benefits treated as social security you should receive **Form RRB-1099**. For more information, get **Publication 915**, Social Security Benefits and Equivalent Railroad Retirement Benefits

Use the worksheet below to see if any of your benefits are taxable, but please note the following before you begin to complete it

- You will first need to complete Form 1040, lines 7, 8, 9, 10 through 19, 21, and 29 if they apply to you to figure the taxable part, if any, of your benefits
- If you repaid any benefits in 1987, and your total repayments (Box 4) were more than your total benefits for 1987 (Box 3), **do not** use the worksheet below None of your benefits are taxable for 1987 But you may be able to take an itemized deduction for part of the excess repayments if they were for benefits you included in gross income in an earlier year Get Publication 915 for details
- If you file **Form 2555** or **Form 4563**, or you exclude income from sources within Puerto Rico, use the worksheet in Publication 915 instead of the one below

Social Security Benefits Worksheet (Keep for your records)

Check only one box

- ☐ **A** Single—enter $25,000 on line 7 below
- ☐ **B.** Married filing a joint return—enter $32,000 on line 7 below
- ☐ **C.** Married not filing a joint return and lived with your spouse at any time during the year—enter -0- on line 7 below
- ☐ **D.** Married not filing a joint return and **DID NOT** live with your spouse at any time during the year—enter $25,000 on line 7 below

1. Enter the total amount from **Box 5 of ALL your Forms SSA-1099 and Forms RRB-1099** (if applicable)	
Note: *If line 1 is zero or less, stop here, none of your benefits are taxable Otherwise, go on to line 2*	
2. Divide the amount on line 1 by 2	
3. Add the amounts on Form 1040, lines 7, 8, 9, 10 through 19, plus line 21 Do not include here any amounts from Box 5 of Forms SSA 1099 or RRB 1099	
4. Add lines 2 and 3	
5. Enter the amount from Form 1040 line 29	
6. Subtract line 5 from line 4	
7. Enter { $25,000 if you checked box **A** or **D**, or $32,000 if you checked box **B**, or -0- if you checked box **C** }	
8. Subtract line 7 from line 6	
Note: *If line 8 is zero or less, stop here Do not enter any amounts on lines 20a and 20b because none of your benefits are taxable Otherwise, go on to line 9*	
9. Divide the amount on line 8 by 2	
10. **Taxable social security benefits.** • First, enter on Form 1040, line 20a, the amount from line 1 above • Then, compare the amounts on lines 2 and 9 above, and enter the **smaller** of the two amounts on this line and also on Form 1040, line 20b	

Note: *If part of your benefits are taxable for 1987* ***AND*** *they include benefits paid in 1987 that were for 1986, 1985, or 1984, you may be able to reduce the taxable amount shown on the worksheet Get Publication 915 for details*

Line 21

Other Income

Use line 21 to report any income you can't find a place for on your return or other schedules List the type and amount of income If necessary, show the required information on an attached statement For more information, see **Miscellaneous Taxable Income** in **Publication 525**, Taxable and Nontaxable Income

Caution: *Do not report any income from self-employment on line 21 If you do have any income from self employment you must use Schedule C or Schedule F Amounts your employer paid you for business expenses that are more than you spent for the actual business expenses should be added to the wages shown on line 7 unless they were already included on your Form W 2*

Examples of income to be reported on line 21 are

- Prizes, awards, and gambling winnings Proceeds from lotteries, raffles, etc , are gambling winnings You must report the full amount of your winnings on this line You cannot offset losses against winnings and report the difference

If you had any gambling losses, you may take them as an itemized deduction on Schedule A However, you cannot deduct more losses than the winnings you report

- Repayment of medical expenses or other items such as real estate taxes that you deducted in an earlier year if they reduced your tax See Publication 525 for information on how to figure the amount to include in income
- Amounts you recovered on bad debts that you deducted in an earlier year
- Fees received for jury duty and precinct election board duty

Net Operating Loss. If you had a net operating loss in an earlier year to carry forward to 1987, enter it as a minus figure on line 21 Attach a statement showing how you figured the amount Get **Publication 536**, Net Operating Losses, for more details

Adjustments to Income

Line 23

Reimbursed Employee Business Expenses

Beginning in 1987, only business expenses that were paid by your employer (or a third party) may be deducted on line 23, even if you were an outside salesperson Unreimbursed business expenses may be deducted only as a miscellaneous itemized deduction on Schedule A You must complete and attach **Form 2106**, Employee Business Expenses, to figure your deduction

Exception. If you accounted to your employer for your expenses by means of an account book, diary, or similar statement, your expenses were equal to your reimbursement, and the reimbursement was not included as wages on your W 2 form, you do not have to complete Form 2106

For details, see **Tele-Tax Information** in the index (topic no 251) or get **Publication 463**, Travel, Entertainment, and Gift Expenses, or **Publication 917**, Business Use of a Car

Performing Artists. Beginning in 1987, if you worked in the performing arts for more than one employer, you may be able to deduct your unreimbursed business expenses related to that work on line 23 For details, get **Publication 529**, Miscellaneous Deductions

Lines 24a and 24b

Individual Retirement Arrangement (IRA) Deduction

Use lines 24a and 24b to deduct contributions to your IRA and, if you file a joint return, to your spouse's IRA. Generally, the IRA deduction limits under prior rules still apply However, beginning in 1987, your IRA deduction may be further reduced or eliminated if you are covered by your employer's retirement plan (qualified pension, profit-sharing, annuity, SEP, etc) But, you may now make nondeductible contributions to your IRA whether or not you are covered by your employer's plan Earnings on both deductible and nondeductible contributions to your IRA are not taxed until they are distributed to you

Not Covered by Your Employer's Retirement Plan. If you (and your spouse if filing a joint return) were not covered by a retirement plan at work in 1987, you can continue to take **a full IRA deduction** Use **Worksheet 1** to figure your deduction If you are married filing a separate return and you were not covered by a retirement plan at work but your spouse was, you are not considered to be covered by a retirement plan

Caution: *Pending legislation would treat married persons filing separately as covered by a plan if their spouse was covered by a plan and they lived with their spouse at any time during the year*

Covered by Your Employer's Retirement Plan. Your Form W-2 should have the "Pension Plan" box in Box S checked if you were covered by your employer's plan You are usually considered covered even if you are not vested in the plan **Get Publication 590,** Individual Retirement Arrangements (IRAs), if you need more details on who is considered covered by an employer's retirement plan If you (or your spouse if filing a joint return) were covered by an employer's retirement plan, use the chart on this page to see if you can take an IRA deduction for 1987 and, if you can, which worksheet you should use to figure the amount you may deduct.

Nondeductible Contributions. You may choose to make nondeductible contributions to your IRA even if you are allowed to deduct all, part, or none of your IRA contributions for 1987 Your nondeductible contribution is the difference between your total allowable IRA contributions (up to the maximum amount) and the amount you deduct on your 1987 return

Example. You file as single You made a $2,000 IRA contribution for 1987 You cannot take an IRA deduction because you were covered by your employer's retirement plan and your modified AGI* is over $35,000 (all wages). You can, however, treat up to $2,000 as a nondeductible contribution

If you use **Worksheet 1** to figure your deductible IRA, you may choose to treat all or part of the amount shown on line 3 of that worksheet (or line 8 if applicable) as a nondeductible contribution instead of taking a deduction for that amount

If you use **Worksheet 2** to figure your deductible IRA, you may choose to treat all or part of the amounts shown on lines 9 and 10 of that worksheet (or lines 19 and 20 if applicable) as a nondeductible contribution

Report all contributions you choose to treat as nondeductible on line 3 of **Form 8606**, Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions, and attach that form to your return. Also use that form to figure the basis (nontaxable part) of your IRA and, if you have a basis in your IRA, the taxable part of any distribution from your IRA If you and your spouse each make a nondeductible IRA contribution, each of you must complete and attach a separate Form 8606

Note: *If you file* **Form 2555,** *Foreign Earned Income, use the chart and the applicable worksheet in Publication 590*

If you (or your spouse if filing a joint return) were COVERED by a retirement plan and—

you checked Filing Status box.	and your modified AGI* is:	you:
1 or 4 on Form 1040, page 1	$25,000 or less	Can take a full IRA deduction (use Worksheet 1)
	Over $25,000 but less than $35,000	Can take a partial IRA deduction (use Worksheet 2)
	$35,000 or more	Cannot take an IRA deduction (see Nondeductible Contributions)
2 or 5 on Form 1040, page 1	$40,000 or less	Can take a full IRA deduction (use Worksheet 1)
	Over $40,000 but less than $50,000	Can take a partial IRA deduction (use Worksheet 2)
	$50,000 or more	Cannot take an IRA deduction (see Nondeductible Contributions)
3 on Form 1040, page 1	Over $-0- but less than $10,000	Can take a partial IRA deduction (use Worksheet 2)
	$10,000 or more	Cannot take an IRA deduction (see Nondeductible Contributions)

Modified AGI (adjusted gross income) *is the amount on Form 1040, line 22, minus the total of any deductions claimed on Form 1040, lines 23, 25 through 28, and any write-in amount included on line 29*

Before completing the worksheet that applies to you, note the following

- You should receive a statement by May 31, 1988, showing all contributions made to your IRA for 1987
- If you made contributions to your IRA in 1987 that you deducted for 1986, **do not** include those contributions in the worksheet you use
- If you make contributions to your IRA (or, if applicable, your spouse's IRA) in 1988 (by April 15) for 1987, include these when completing the applicable worksheet
- If the total of your IRA deduction on line 24a or 24b, whichever applies, and your nondeductible contributions, if any, is less than your IRA contributions for 1987, see Publication 590 for special rules
- If you were married, you must file a joint return to deduct contributions to your **nonworking spouse's** IRA for 1987 A **nonworking spouse** is one who had no wages or other earned income in 1987, or a working spouse who chooses to be treated as having no earned income for purposes of the deduction
- Do not include rollover contributions in figuring your deduction See the instructions for lines 16a and 16b on page 11 for more details on rollover contributions
- Do not include trustee's fees that were billed separately and paid by you for your IRA These fees can be deducted only as an itemized deduction on Schedule A
- Alimony payments received under certain divorce or separation instruments are considered earned income for purposes of the IRA deduction. See Publication 590
- You will first need to complete Form 1040, through line 23 and lines 25 through 28, if they apply to you, to figure your IRA deduction and, if applicable, nondeductible contributions

Note: *If you were married and both spouses worked and both had IRAs, figure each spouse's deduction separately*

IRA Worksheet 1 (Keep for your records)

Caution: Use this worksheet **only if**

(1) you (and your spouse if filing a joint return) were not covered by a retirement plan at work, **or**

(2) you (or your spouse if filing a joint return) were covered by a retirement plan at work and your modified AGI (defined above) is

- $25,000 or less, and you checked Filing Status box 1 or 4 on Form 1040, page 1, **or**
- $40,000 or less, and you checked Filing Status box 2 or 5 on Form 1040, page 1

1. Enter IRA contributions you made for 1987, but **do not** enter more than $2,000 _____
2. Enter your wages and other earned income from Form 1040, minus any deduction you claim on Form 1040, line 26 (Do not include your spouse's income and do not reduce your wages by losses from self-employment) _____

3. Compare the amounts on lines 1 and 2 and enter the **smaller** of the two amounts on line 3 Enter on Form 1040, line 24a or 24b, whichever applies, the amount on line 3 you choose to deduct If contributions were made to your nonworking spouse's IRA, go on to line 4. _____

Complete lines 4 through 8 ONLY if contributions were made to an IRA for your nonworking spouse (as defined on page 13).

4. Compare the amount on line 2 to $2,250 Enter the **smaller** of the two amounts _____
5. Enter the amount from line 3 _____
6. Subtract line 5 from line 4 _____
7. Enter IRA contributions made for 1987 for your nonworking spouse, but **do not** enter more than $2,000 _____
8. Compare the amounts on lines 2, 6, and 7 and enter the **smallest** of the three amounts on line 8 Enter on Form 1040, line 24b, the amount on line 8 you choose to deduct _____

IRA Worksheet 2 (Keep for your records)

Caution: Use this worksheet **only** if you (or your working spouse if filing a joint return) were covered by a retirement plan at work and your modified AGI (defined on page 13) is.

Over:	But not over:	And you checked Filing Status box:
$25,000	$35,000	1 or 4 on Form 1040, page 1
$40,000	$50,000	2 or 5 on Form 1040, page 1
$-0-	$10,000	3 on Form 1040, page 1

1. If you checked Filing Status box { 1 or 4, enter $35,000 / 2 or 5, enter $50,000 / 3, enter $10,000 } _____
2. Enter the amount from Form 1040, line 22 _____
3. Add amounts on Form 1040, lines 23, 25 through 28, and any write-in amount included on line 29 _____
4. Subtract line 3 from line 2 If the result is equal to or larger than the amount on line 1, none of your IRA contributions are deductible Stop here, if you want to make a nondeductible IRA contribution, see Form 8606 _____
5. Subtract line 4 from line 1 **If the result is $10,000 or more, stop here; complete Worksheet 1** _____
6. Multiply the amount on line 5 by 20% (20) If the result is not a multiple of $10, round it up to the next multiple of $10 (for example, round $490 30 to $500) However, if the result is less than $200, enter $200 on line 6 Go on to line 7 _____

Deductible IRA contributions

7. Enter your wages and other earned income from Form 1040, minus any deduction you claim on Form 1040, line 26 (Do not include your spouse's income and do not reduce your wages by losses from self-employment) _____
8. Enter IRA contributions you made for 1987, but **do not** enter more than $2,000 _____
9. Compare the amounts on lines 6, 7, and 8 and enter the **smallest** of the three amounts on line 9 Enter on Form 1040, line 24a or 24b, whichever applies, the amount on line 9 you choose to deduct (If line 8 is more than line 9, go on to line 10.) _____

Nondeductible IRA contributions

10. Subtract line 9 from line 7 or line 8, whichever is **smaller**. Enter the result Enter on your Form 8606, line 3, the amount on line 10 you choose to make nondeductible _____

If contributions were made to an IRA for your nonworking spouse (as defined on page 13), complete lines 11 through 20.

Deductible IRA contributions for nonworking spouse

11. Compare the amount on line 7 to $2,250 Enter the **smaller** of the two amounts _____
12. Add line 9 and the amount on line 10 you choose to make nondeductible _____
13. Subtract line 12 from line 11 If the result is zero or less, stop here, you cannot make deductible or nondeductible IRA contributions for your nonworking spouse _____
14. Enter the **smallest** of (a) IRA contributions made for 1987 that are for your nonworking spouse; (b) $2,000; or (c) the amount on line 13 _____
15. Multiply the amount on line 5 by 22 5% (225) If the result is not a multiple of $10, round it up to the next multiple of $10 However, if the result is less than $200, enter $200 on line 15 _____
16. Enter the amount from line 9 _____
17. Subtract line 16 from line 15 _____
18. Compare the amounts on lines 14 and 17 Enter the **smaller** of the two amounts _____
19. Compare the amounts on lines 6, 7, and 18 and enter the **smallest** of the three amounts on line 19 Enter on Form 1040, line 24b, the amount on line 19 you choose to deduct (If line 14 is more than line 19, go on to line 20) _____

Nondeductible IRA contributions for nonworking spouse

20. Subtract line 19 from line 14 Enter the result Enter on your spouse's Form 8606, line 3, the amount on line 20 you choose to make nondeductible _____

Line 25

Self-Employed Health Insurance Deduction

Beginning in 1987, if you were self-employed and had a net profit for the year, you may be able to deduct up to 25% of the amount paid for health insurance on behalf of yourself, your spouse, and dependents However, you may not take the deduction if you were eligible to participate in any subsidized health plan maintained by your or your spouse's employer In addition, if you had employees, you may not take the deduction unless you provided nondiscriminatory health insurance coverage to your employees. For more details, get **Publication 535**, Business Expenses

If you qualify to take the deduction, use the worksheet below to figure the deduction However, if any of the following applies, use the worksheet in Publication 535 instead of the one below to figure your deduction

1. You file **Form 2555** or **Form 4563**, or you exclude income from sources within Puerto Rico
2. You claim a net operating loss deduction.

Worksheet (Keep for your records)

1. Enter amount paid for health insurance for 1987 for you, your spouse, and dependents _____
2. Percentage used to figure the deduction × .25
3. Multiply the amount on line 1 by the percentage on line 2 _____
4. Enter your net profit from self-employment (from Schedule C and F (Form 1040), Schedule K-1 (Form 1065), and any other earned income*) minus any deduction you claim on Form 1040, line 26 _____
5. Compare the amounts on lines 3 and 4 Enter the **smaller** of the two amounts here and on Form 1040, line 25 (**DO NOT** include this amount in figuring any medical expense deduction on Schedule A (Form 1040.) _____

***Earned income** includes net earnings and gains (other than capital gains) from the disposition, transfer, or licensing of property you created*

Line 26

Keogh Retirement Plan and Self-Employed SEP Deduction

Caution: *You must be self-employed to claim the Keogh deduction. Sole proprietors and partners enter the allowable deduction for contributions to your Keogh plan and your SEP on line 26.*

There are two types of Keogh retirement plans

- **Defined-contribution plan.** This plan provides an individual account for each person in the plan In general, if contributions to the plan are geared to the employer's profits, the plan is a profit-sharing plan If contributions are not based on the employer's profits, the plan is a money purchase pension plan
- **Defined-benefit plan.** The deduction for this type of plan is determined by the investment needed to fund a specific benefit at retirement age Write "DB" on the line to the left of the amount if you have a defined-benefit plan

For more details, get **Publication 560,** Self-Employed Retirement Plans

Line 27

Penalty on Early Withdrawal of Savings

The **Form 1099-INT** or, if applicable, **Form 1099-OID** given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity Enter this amount on line 27. (Be sure to include the interest income on Form 1040, line 8.)

Line 28

Alimony Paid

You can deduct periodic payments of alimony or separate maintenance made under a court decree You can also deduct payments made under a written separation agreement or a decree for support Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support For details, see **Tele-Tax Information** in the index (topic no 253) or get **Publication 504**, Tax Information for Divorced or Separated Individuals

You must enter the recipient's last name, if different than yours, and his or her social security number in the space provided on line 28 If you don't, you may have to pay a $50 penalty and your deduction may be disallowed If you paid alimony to more than one person, enter the social security number and last name, if applicable, of one of the recipients Show the required information, including the amount paid, for the other recipient(s) on an attached statement Enter your total payments on line 28

Divorce or Separation Instruments Executed After 1984. Generally, you may deduct any payment made in cash to, or on behalf of, your spouse or former spouse under a divorce or separation instrument executed after 1984 if

- the instrument does not prevent the payment from qualifying as alimony, **and**
- you and your spouse or former spouse did not live together when the payment was made if you were separated under a decree of divorce or separate maintenance, **and**
- you are not required to make any payment after the death of your spouse or former spouse, **and**
- the payment is not treated as child support

These rules also apply to certain instruments modified after 1984 Other rules apply if you paid more than $10,000 in any calendar year For more details, see Publication 504

Line 29

Total Adjustments

Add lines 23 through 28 and enter the total on line 29 Also include in the total on line 29 any of the following adjustments

Forestation/Reforestation Amortization. If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file Schedule C or Schedule F for this activity, include your deduction in the total on line 29 Write "Reforestation" in the space to the left of the total

Repayment of Sub-Pay Under the Trade Act of 1974. If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, include the amount you repaid in 1987 in the total on line 29 Write "Sub-pay TRA" in the space to the left of the total Or, you may be able to claim a credit against your tax instead Get **Publication 525**, Taxable and Nontaxable Income, for more details

Line 30

Adjusted Gross Income

If line 30 is less than zero, you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see **Form 1045**. For more information, get **Publication 536**, Net Operating Losses

IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you If you paid too much, we will send you a refund If you did not pay enough, we will bill you for the balance You will not be charged interest or the penalty for late payment if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later

We can figure your tax if you meet **all** of the conditions described below

- All of your income for 1987 was from one or more of these sources
  - a. Salaries, wages, and tips.
  - b. Interest
  - c. Dividends
  - d. Pensions or annuities
- You do not itemize deductions
- You cannot be claimed as a dependent on another person's return
- You do not file **Schedule D**, Capital Gains and Losses and Reconciliation of Forms 1099 B
- You do not file **Form 8615**, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000
- You do not file **Form 2555**, Foreign Earned Income
- Your adjusted gross income (line 30) is not more than $50,000
- You (and your spouse if you are filing a joint return) sign and date your return and mail it by April 15, 1988
- You do not want any of your refund applied to next year's estimated tax
- You give us enough information so that we can figure the tax Please read the following instructions

a. Fill in the parts of your return through line 36 that apply to you The Line-By-Line Instructions that start on page 6 explain how to fill in your return

b. Read lines 40 through 61 Fill in the lines that apply to you, but do not fill in the Total lines Please be sure to fill in line 54 for Federal income tax withheld See the instructions below if you want us to figure your credit for the elderly or for the permanently and totally disabled, or earned income credit

c. If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to show your taxable income and your spouse's taxable income separately

d. Fill in any forms or schedules asked for on the lines you completed, and attach them to the return when you file it.

We will figure the following credits too. Fill in your return through line 36 as explained above Follow the instructions below and sign, date, and mail your return before the due date

Credit for the Elderly or for the Permanently and Totally Disabled.—If you qualify to take this credit, attach **Schedule R** to your return and write "CFE" on the dotted line to the left of line 41

Check the box on Schedule R for your filing status and age, and fill in lines 11 and 13 if applicable Also, complete Part II if applicable

Earned Income Credit.—If you qualify to take this credit (see the instructions for line 56 on page 18), write "EIC" on line 56

Tax Computation Lines 32a through 32c

Line 32a. If you were age 65 or over or blind, check the appropriate boxes on line 32a If you were married and checked the box on line 6b on page 1 of Form 1040 and your spouse was 65 or over or blind, also check the appropriate boxes for your spouse

Age and blindness are determined as of December 31 However, if your 65th birthday was on January 1, 1988, you should check the "65 or over" box on your 1987 return

Proof of Blindness. If you are completely blind, attach a statement to your return to this effect

In cases of partial blindness, you must attach to your return each year a certified statement from an eye physician or registered optometrist that

1. you cannot see better than 20/200 in the better eye with glasses or contact lenses, **OR**
2. your field of vision is not more than 20 degrees

If this eye condition will never improve beyond the standards in 1 or 2, you may submit a certified opinion to this effect from an examining eye physician You must attach this certification to your return only once In later years you can just include a statement referring to it

Line 32c. If you were a dual-status alien and you file a joint return with your spouse who was a U S citizen or resident at the end of 1987 and you and your spouse agree to be taxed on your combined worldwide income, **do not** check the box on line 32c Otherwise, check the box

Line 33a

Itemized Deductions

Should You Itemize? You must decide whether to itemize your deductions for charitable contributions, medical expenses, interest, taxes, etc , or take the standard deduction (discussed later) Compare your total itemized deductions reportable on **Schedule A** (Form 1040), with your allowable standard deduction If your itemized deductions are more than your standard deduction, you Federal income tax will be less if you itemize To figure your allowable standard deduction, see **Standard Deduction** under the line 33b instructions

Caution: *If you checked any of the boxes on lines 32a, 32b, or 32c of your tax return, special standard deduction rules apply to you See **Special Standard Deduction Rules**, discussed later*

If you decided to itemize your deductions, complete and attach Schedule A and enter the amount from Schedule A, line 26, on Form 1040, line 33a If your itemized deductions are less than the amount of your allowable standard deduction (or you choose not to itemize), enter zero on line 33a and go on to line 33b

Line 33b

Standard Deduction

If you do not itemize your deductions, you may take the standard deduction instead **Exception.** If you checked the box on **line 32c**, you cannot take the standard deduction

If you checked **any** of the boxes on lines 32a, 32b, or 32c, you must use the **Special Standard Deduction Rules**, discussed below, to figure the amount of your standard deduction

If you were not required to check any of the boxes on lines 32a, 32b, or 32c, enter on line 33b the preprinted standard deduction amount for your filing status that appears on line 33b of the return

Special Standard Deduction Rules

Special rules apply if

- You were age 65 or over or blind (you checked any box on **line 32a**),
- You can be claimed as a dependent on another person's return (you checked the box on **line 32b**), or
- You checked the box on **line 32c**

Box on Line 32c Checked —No Standard Deduction Allowed. If you are married filing a separate return and your spouse itemizes deductions, or if you are a dual-status alien, you cannot take the standard deduction even if you were 65 or over or blind

Standard Deduction for Persons Age 65 or Over or Blind. If you checked any box on **line 32a**, your standard deduction will generally be larger than the amount for other individuals Use the following chart to find the standard deduction amount to enter on line 33b But before using the chart, make sure you enter the total number of boxes checked on line 32a in the space provided on that line However, if you can be claimed as a dependent on another person's return, see the worksheet for dependents

If your Filing Status is	and the number on Form 1040, line 32a, is	on Form 1040, line 33b, enter
Single	1	$3,750
	2	$4,500
Married filing joint return or Qualifying widow(er) with dependent child	1	$5,600
	2	$6,200
	3	$6 800
	4	$7,400
Married filing separate return	1	$3,100
	2	$3,700
	3	$4 300
	4	$4 900
Head of household	1	$5,150
	2	$5,900

Standard Deduction for Children and Other Dependents If you can be claimed as a dependent on another person's return (such as your parents' return), use the following worksheet to figure the amount to enter on line 33b Be sure you check the box on line 32b

Worksheet for Dependents

(Keep for your records)

1. Enter your **earned income** (defined below)
2. Minimum amount $500
3. Compare the amounts on lines 1 and 2 Enter the **larger** of the two amounts on line 3
4. If under 65 and not blind, enter on line 4 the amount shown below for your filing status If 65 or over or blind, enter on line 4 the amount from the standard deduction chart above that applies to you
   - Single or Head of household, enter $2,540
   - Married filing separate return, enter $1,880
   - Married filing jointly or Qualifying widow(er) with dependent child, enter $3,760
5. **Standard deduction.**
   a. Compare the amounts on lines 3 and 4 Enter the **smaller** of the two amounts If under 65 and not blind stop here, enter this amount on Form 1040, line 33b Otherwise go on to line 5b
   b. If 65 or over or blind, multiply the number entered on Form 1040, line 32a by $750 ($600 if married filing a joint or separate return or a qualifying widow(er) with dependent child) Enter the result
   c. Add lines 5a and 5b
   d. Compare the amounts on lines 4 and 5c Enter the **smaller** of the two amounts here and on Form 1040, line 33b

Example Walter Green is single and can be claimed as a dependent on his parents' return Walter's total income is $1,000 Of this amount, $400 was wages and $600 was taxable interest income Walter does not have any itemized deductions Because Walter can be claimed as a dependent on his parents' return and he does not itemize deductions, he must use the worksheet to figure his standard deduction Walter enters his wages on line 1 and $2,540, the standard deduction for a single individual who is under age 65 and not blind, on line 4 He completes the worksheet as shown below and enters $500 on Form 1040, line 33b He then completes his return using the instructions that follow line 33b

1. Earned income	$400
2 Minimum amount	500
3. Compare the amounts on lines 1 and 2 Enter the **larger** of the two amounts	500
4 Standard deduction for a single individual	2,540
5 **Standard deduction**	
a Compare the amounts on lines 3 and 4 Enter the **smaller** of the two amounts If under 65 and not blind, stop here, enter this amount on Form 1040, line 33b	500

Earned income *includes wages salaries, tips, professional fees, and other compensation received for personal services you performed Beginning in 1987, it also includes any amount received as a scholarship that you must include in your income*

Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 13, and 18

Line 35

Exemptions

Use the following chart to find the amount to enter on line 35 If you claimed more than 10 exemptions, multiply $1,900 by the total number of exemptions entered on line 6e

If the number on Form 1040, line 6e, is	On Form 1040, line 35, enter:
1	$1,900
2	3,800
3	5,700
4	7,600
5	9,500
6	11 400
7	13,300
8	15,200
9	17,100
10	19,000

Line 37

Tax

To figure your tax, use one of the following methods

Tax Rate Schedules. You must use the Tax Rate Schedules to figure your tax if your taxable income is $50,000 or more

Schedule D. Beginning in 1987, if you had a net capital gain, your tax may be less if you can use Schedule D, Part IV, Alternative Tax Computation, to figure your tax See Part IV of Schedule D

Tax Tip: *If you had capital gain distributions but did not have to file Schedule D, you may be able to use Schedule D to figure your tax See the **Tax Tip** under **Capital gain distributions** on page 10*

Form 8615. Beginning in 1987, Form 8615 must generally be used to figure the tax for any child who was under age 14 on December 31, 1987, and who had more than $1,000 of investment income (such as taxable interest or dividends) However, if neither of the child's parents were alive on December 31, do not use Form 8615 to figure the child's tax

Tax Table. If none of the above conditions applies to you, you **MUST** use the Tax Table to find your tax Be sure you use the correct column in the Tax Table After you have found the correct tax, enter that amount on line 37

Line 38

Additional Taxes

Check the box(es) on line 38 to report any of the additional taxes listed below

Form 4970, Tax on Accumulation Distribution of Trusts

Form 4972, Tax on Lump Sum Distributions

Credits

Line 40

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 40 for payments you made for child and disabled dependent care while you (and your spouse if you were married) worked or looked for work

The credit is allowed if you kept up a home that included a child under age 15 or your dependent or spouse who could not care for himself or herself Use **Form 2441** to figure the amount of any credit

Please see Form 2441 for more information, including special rules for divorced or separated parents and certain employment taxes that you may owe

Line 41

Credit for the Elderly or for the Permanently and Totally Disabled

You may be able to take this credit and reduce your tax if, by the end of 1987, you were

- age 65 or over, or
- under age 65, you retired on permanent and total disability, and you had taxable disability income in 1987

For more information, see the separate instructions for **Schedule R**. Enter the credit on line 41

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 15.

Line 42

Add lines 40 and 41 and enter the total on line 42 Also include in the total on line 42 any of the following credits

Carryforward of Residential Energy Credit. Generally, if you have an energy credit carryforward from a prior tax year, you may take a credit against your tax Use **Form 5695**, Residential Energy Credit Carryforward, to figure the amount allowed as a credit for 1987 Include the amount of the credit in your total for line 42 On the dotted line next to this total, write "REC" (residential energy credit) and show the amount

Mortgage Interest Credit. You may be able to take a credit for part of the interest you paid on your home mortgage if you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or make improvements to your principal residence. You must complete and attach **Form 8396**, Mortgage Interest Credit, to figure the amount of the credit to include in your total for line 42 On the dotted line next to this total, write "MIC" (mortgage interest credit) and show the amount

Line 44

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a foreign country Also get **Publication 514**. Enter the credit from Form 1116 on line 44

Line 45

General Business Credit

Check the box(es) on line 45 if you can take any of the five credits listed below Use the appropriate credit form (as described below) to figure the credit If you have only one credit, enter on line 45 the amount of the credit from the form.

If you have a credit carryforward or take two or more of these credits, you must also complete **Form 3800** to figure the total credit and enter on line 45 the amount from Form 3800 Also be sure to check the box on line 45 for Form 3800

Form 3468, Computation of Investment Credit. This credit was generally repealed for property placed in service after 1985 For exceptions, see Form 3468

Form 5884, Jobs Credit. If you are a business employer who hires people who are members of special targeted groups, you may qualify for this credit. Use Form 5884 to figure the credit Get **Publication 572**, General Business Credit, for more details.

Form 6478, Credit for Alcohol Used as Fuel. If you sell straight alcohol (or an alcohol mixture) at retail or use it as fuel in your trade or business, you may be able to take a credit for the alcohol used as fuel. Use Form 6478 to figure the credit

Form 6765, Credit for Increasing Research Activities. You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business Use Form 6765 to figure the credit.

Form 8586, Low-Income Housing Credit. Beginning in 1987, if you owned a building that was part of a low-income housing project, you may be able to take this credit. Generally, this credit only applies to buildings placed in service after 1986 Use Form 8586 to figure the credit Get **Publication 572**, General Business Credit, for more details

Line 46

Add amounts on lines 44 and 45 and enter the total on line 46 Also include in the total on line 46 any Credit for Fuel From a Nonconventional Source

Credit for Fuel From a Nonconventional Source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source See I R Code section 29 for a definition of qualified fuels, provisions for figuring the credit, and other special rules Attach a separate schedule showing how you figured the credit Include the credit in the total for line 46 On the dotted line next to this total, write "FNS" and show the amount

Other Taxes

Line 48

Self-Employment Tax

If you had self-employment income in 1987, and earned under $43,800 in wages from which social security tax or RRTA tax was withheld, you may have to pay self-employment tax Please see **Schedule SE** (Form 1040) and instructions If you have to pay self-employment tax, enter the amount from Schedule SE, line 14

Line 49

Alternative Minimum Tax

You may be liable for the alternative minimum tax if your return includes any of the items listed below and your adjusted gross income added to those items totals more than

- $40,000 if married filing jointly or qualifying widow(er) with dependent child, or
- $30,000 if single or head of household, or
- $20,000 if married filing separately

1. Accelerated depreciation
2. Amortization of certified pollution-control facilities.
3. Charitable contribution of appreciated capital gain property
4. Incentive stock options
5. Tax-exempt interest from private activity bonds or exempt-interest dividends from a regulated investment company
6. Intangible drilling costs
7. Depletion.
8. Reserves for losses on bad debts of financial institutions.
9. Circulation and research and experimental expenditures
10. Mining exploration and development costs.
11. Installment sales of property
12. Tax shelter farm loss
13. Passive activity loss
14. Income from long-term contracts

Get **Form 6251** and its instructions to see if you owe this tax.

Line 50

Tax From Recapture of Investment Credit

You may owe this tax if you disposed of investment credit property before the end of its useful life or recovery period.

See **Form 4255** for details Enter any tax from Form 4255 on this line

Line 51

Social Security Tax on Tip Income Not Reported to Employer

If you received tips of $20 or more in any month and you did not report the full amount to your employer, you must pay the social security or railroad retirement (RRTA) tax on the unreported tips If you reported the full amount to your employer but your employer did not withhold the social security or RRTA tax, you must pay it unless the rules discussed under **Uncollected Employee Social Security and RRTA Tax on Tips** (line 53) apply

To figure the amount of social security tax on the tips, complete **Form 4137** and attach it to your Form 1040 Enter the tax on this line

To determine the amount of RRTA tax on the tips, contact your nearest Railroad Retirement Board office. On line 51, enter the tax and on the dotted line next to it, write "RRTA "

Be sure all your tips are reported as income on Form 1040, line 7

You may be charged a penalty equal to 50% of the social security tax due on tips you received and did not report to your employer

Line 52

Tax on IRAs and Retirement Plans

You may owe this tax if (1) you received any early distributions from your IRA, qualified employer plan, qualified annuity plan or tax-sheltered annuity plan, (2) you received any excess distributions from a plan mentioned in (1), (3) you made excess contributions to your IRA, or (4) you had excess accumulations in your IRA account or annuity Get **Form 5329** and its instructions to see if you owe this tax If you do, complete and attach Form 5329 and enter the total tax on line 52

Line 53

Total Tax

Add lines 47 through 52 Put the total on line 53 Also include on line 53 any of the following that apply

Section 72 Penalty Tax If you are or were a 5% owner of a business and you received an excessive distribution from a Keogh plan or trust, you may have to pay a penalty tax of 10% of the distribution Get **Publication 560** for more details

Include the amount of the penalty in your total for line 53 On the dotted line next to this total, write "Section 72 penalty" and show the amount

Advance Earned Income Credit (EIC) Payments. If you received advance EIC payments (AEIC), the amount will be shown on your Form W-2. Include the amount of these payments in your total for line 53 On the dotted line next to this total, write "AEIC" and show the amount

Note: The amount of earned income credit that you can actually take will be figured on the worksheet shown on page 19 and entered on line 56

Uncollected Employee Social Security and RRTA Tax on Tips. If you did not have enough wages to cover the social security tax or railroad retirement (RRTA) tax due on tips you reported to your employer, the amount of tax due will be shown on your Form W-2 Include that amount in the total on line 53 On the dotted line next to this total, write "Uncollected Tax on Tips" and show the amount

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes If you received an excess parachute payment (EPP), you must pay a tax equal to 20% of this excess payment Include the amount of this tax in your total for line 53 On the dotted line next to this total, write "EPP" and show the amount of the tax

If you received a **Form W-2** that includes a parachute payment, the amount of tax withheld on any excess payment should be identified in Box 16 of Form W-2 Include the amount from Box 16 in the total for line 53

If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form Multiply the excess payment by 20% to figure the amount to include in the total for line 53

Payments

Line 54

Total Federal Income Tax Withheld

Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, W-2P, and 1099-R.** Enter the total on line 54 The amount of Federal income tax withheld should be shown in Box 9 of Form W-2, Box 2 of Form W-2G, Box 11 of Form W-2P, and Box 4 of Form 1099-R.

If line 54 includes amounts withheld as shown on Form 1099-R, circle the words "Form(s) 1099" to the left of line 54

Backup Withholding. If you were subject to backup withholding on dividends, interest income, or other income you received during 1987, include the amount withheld in the total on line 54 This should be shown in Box 4 on the 1099 forms Circle the words "Form(s) 1099" next to this total

Line 55

1987 Estimated Tax Payments

Enter on this line any payments you made on your estimated Federal income tax (**Form 1040-ES**) for 1987 Include any overpayment from your 1986 return that you applied to your 1987 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim a part of it Please be sure to show both social security numbers on the separate returns. If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid

Follow the above instructions even if your spouse died

Divorced Taxpayers. If you were divorced during 1987 and you made joint estimated tax payments with your former spouse, please enter your former spouse's social security number in the block provided on the front of Form 1040. In the upper right corner of the return, above the social security numbers, write "DIV" (divorced).

If you were divorced and remarried in 1987, enter your present spouse's social security number in the block provided on the front of Form 1040 Also, enter your former spouse's social security number in the upper right corner above the blocks and write "DIV" above that number

Name Change. If you changed your name because of marriage, divorce, etc , and you made estimated tax payments using your former name, attach a statement to the front of Form 1040 explaining all the payments you and your spouse made in 1987, the Service Center where you made the payments, and the name(s) and social security number(s) under which you made the payments.

Line 56

Earned Income Credit

The earned income credit helps many taxpayers who have a child and have earned incomes (see "Earned income includes" on this page) and adjusted gross incomes of less than $15,432. If you can take the credit, you can subtract it from tax you owe or get a refund even if you had no tax withheld from your pay The credit can be as much as $851

Note: If you received advance earned income credit payments from your employer(s), see the instructions for line 53 on this page for information on how to report these payments.

Who Can Take the Credit?

You may be able to take the credit if you meet **ALL 5** of the following conditions

1. You received wages, salaries, tips, or other earned income (see "Earned income includes" on this page)
2. The amount on Form 1040, line 31, is less than $15,432
3. You have a child (see "Definition of Child" on page 19) who lived with you in the same principal residence in the U.S for more than 6 months during 1987 (for all of 1987 if your filing status is qualifying widow(er) with dependent child)
4. You do not file **Form 2555**, Foreign Earned Income
5. Your filing status is married filing joint return, qualifying widow(er) with dependent child, or head of household In addition, special rules apply to each of these three filing statuses

Married Filing Joint Return. Your child must be claimed as your dependent on Form 1040, line 6c **Exception.** If your spouse is not your child's parent and the child's other parent (the noncustodial parent) claimed him or her as a dependent under the rules explained on page 8 for **Children of Divorced or Separated Parents,** you can take the credit if you meet all 5 of the conditions listed above If you can take the credit because of this exception, you must enter the child's name on the dotted line to the left of line 56

Qualifying Widow(er) With Dependent Child. Your child must be claimed as your dependent on Form 1040, line 6c.

Head of Household. If your child was **unmarried** for 1987, you must enter that child's name in the space provided on Form 1040, line 4 (or line 6c if you claimed that child as a dependent)

If your child was **married** for 1987, this child must be claimed as your dependent on Form 1040, line 6c **Exception.** If this child's other parent claimed him or her as a dependent under the rules explained on page 8 for **Children of Divorced or Separated Parents,** you can take the credit if you meet all 5 of the conditions listed above. If you can take the credit because of this exception, you must enter the child's name on the dotted line to the left of line 56 unless you entered the child's name in the space provided on Form 1040, line 4

If you meet all of the conditions listed above, use the worksheet on page 19 to figure the credit Otherwise, do not fill in the worksheet Instead, enter "NO" on Form 1040, line 56, and go on to line 57

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 15

You may be able to receive advance payments of the credit by filing **Form W-5** with your employer

For more details about the credit, get **Publication 596**, Earned Income Credit

Earned income includes:

- Wages, salaries, and tips
- Earnings from self-employment—this is usually the amount shown on Schedule SE (Form 1040), line 9

Earned Income Credit Worksheet (Keep for your records)

To figure your credit, follow the instructions below. If you checked Filing Status box 1 or 3, you cannot take the credit. Do not complete this worksheet.

1. Enter the amount from Form 1040, line 7, plus any other compensation from your employer, regardless of whether it is taxable. **Note:** *If you received nontaxable compensation from your employer, enter "NEI" on the dotted line to the left of line 56 even if you cannot take the credit*	$
2. If you were self-employed, enter the amount, even if a loss, from Schedule SE, line 9. However, if you use the optional method to figure your self-employment tax, see **Publication 596** for more information before entering an amount on line 2. If you have self-employment income that you reported on line 1 above, do not include it here	
3. **Earned Income.** Add lines 1 and 2. However, if line 2 is a loss, subtract line 2 from line 1. If line 3 is zero or less, stop here, you **cannot** take the credit. If line 3 is more than zero, go on to line 4	
4. **Adjusted gross income.** Enter the amount from Form 1040, line 31. If the amount on line 4 is $15,432 or more, stop here, you **cannot** take the credit. Otherwise, go on to line 5 or line 6, whichever applies	
5. If line 4 above is **less than $6,925**, use the amount from line 3 above to find your credit in the table that begins on page 48. Enter the credit here and on Form 1040, line 56	
6. If line 4 above is **$6,925 or more** a. Find the amount from line 3 above in the table that begins on page 48 and enter the credit for that amount here $ _____ b. Find the amount from line 4 above in the table and enter the credit for that amount here $ _____ c. Enter the amount from line **6a** or **6b**, whichever is **smaller**, here and on Form 1040, line 56	$

- Anything else of value (money, goods, or services) you get from your employer for services you performed regardless of whether it is taxable

Note: *The following are examples of amounts received from your employer that must be included on line 1 of the worksheet—*

a. Housing allowance (or rental value of a parsonage) for members of the clergy

b. Meals and lodging

Earned income does not include items such as interest, dividends, social security payments, welfare benefits, veterans' benefits, workers' compensation, unemployment compensation (insurance), or income exempt from self-employment tax as a result of the filing and approval of **Form 4029** (relating to members of certain religious faiths)

Definition of Child. In general, for purposes of this credit, your **child** includes

- Your son or daughter
- Your stepchild or adopted child

If your filing status is **married filing a joint return** or **qualifying widow(er) with dependent child**, your child also includes a child placed with you by an authorized placement agency for adoption by you, or a foster child (any other child, such as your grandchild, whom you cared for as your own child for the whole year)

If your filing status is **head of household**, your child also includes a descendant of your son, daughter, or adopted child

If your child was born, or died, in 1987 and your home was your child's home during the part of 1987 that he or she was alive, your child is considered to have lived with you for more than 6 months or, if applicable, for all of 1987

Note: *The earned income credit must be reduced by the alternative minimum tax (Form 1040, line 49). If you owe this tax, subtract it from the amount on line 5 or line 6c of the worksheet above, whichever applies, and enter the result (but not less than zero) on Form 1040, line 56.*

Line 57

Amount Paid With Form 4868 (Extension of Time To File)

If you filed **Form 4868** to get an extension of time to file Form 1040, enter the amount you paid with that form. Also include any amounts paid with **Forms 2688** or **2350**.

Line 58

Excess Social Security Tax and RRTA Tax Withheld—Two or More Employers

If you had two or more employers in 1987 who together paid you more than $43,800 in wages, too much social security tax and railroad retirement (RRTA) tax may have been withheld from your wages. If so, you may be able to take a credit against your income tax.

If you are filing a joint return, you must figure the credit separately for yourself and your spouse. Complete the following worksheet to see if you can take the credit.

If you worked for two or more railroad employers, or if you had both RRTA tax and social security tax withheld from your wages, get **Publication 505**, Tax Withholding and Estimated Tax, for information on how to figure your excess RRTA or social security tax. **Do not** use the following worksheet.

Caution: *If you were a Federal, state, or local government employee who paid **only** the 1.45% medicare (hospital insurance benefits) tax on your government wages, **do not** include on line 1 of the following worksheet the medicare tax withheld from your government wages. See the instructions for line 60 to see if you can take a credit for excess medicare tax paid.*

Worksheet (Keep for your records)

1. Add all social security tax withheld (but not more than $3,131.70 for each employer) * Enter the total here	
2. Enter any uncollected social security tax on tips included in the total on Form 1040, line 51	
3. Add lines 1 and 2	
4. Less	–3,131.70
5. Subtract line 4 from line 3. Enter this amount on line 58	

Note: *If any one employer withheld more than $3,131.70, you should ask the employer to refund the excess to you. You cannot take credit for it on your return.*

Line 59

Credit for Federal Tax on Gasoline and Special Fuels

If you can take a credit for tax on gasoline and special fuels used in your business (including qualified taxicabs), or for certain diesel-powered cars, vans, and light trucks, please attach **Form 4136**. Enter the credit on line 59.

Line 60

Regulated Investment Company Credit

Enter on this line the total amount of the credit from **Form 2439**. Be sure to attach Copy B of Form 2439. Also include on line 60 any Excess Medicare Tax Credit.

Excess Medicare Tax Credit. If you were a Federal, state, or local government employee whose wages in 1987 were subject **only** to the 1.45% medicare (hospital insurance benefits) tax and you had other social security or RRTA wages that when added to your government wages total more than $43,800, too much medicare tax may have been withheld. If so, you may take a credit against your income tax. Use **Form 4469**, Computation of Excess Medicare Tax Credit, to figure the credit. Include the amount of the credit in your total for line 60. On the dotted line next to this total, write "Form 4469" and show the amount.

Line 61

Total Payments

Add lines 54 through 60 and enter the total on line 61. Also include on line 61 any Overpaid Windfall Profit Tax.

Overpaid Windfall Profit Tax. You may be allowed a credit for overpaid windfall profit tax (OWPT). Use **Form 6249** to figure the overpayment. Include this amount in your total for line 61. Attach Forms 6249 and 6248 to Form 1040. On the dotted line next to this total, write "OWPT" and show the amount.

Refund or Amount You Owe

Line 62

Amount Overpaid (If line 61 is larger than line 53)

Subtract line 53 from line 61. You can choose to have all, or part, of this amount refunded to you (line 63). The remainder, if any, can be applied to your estimated tax for 1988 (line 64). If line 62 is under $1, we will send a refund only on written request.

Income Tax Withholding for 1988. If the amount you overpaid is large, get a copy of **Form W-4**, Employee's Withholding Allowance Certificate, from your employer to see if you are entitled to additional allowances. If you are, file a new Form W-4 with your employer to change the amount of income tax to be withheld from your wages.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods that could reduce your withholding.

For more details, see your employer or get **Publication 505**, Tax Withholding and Estimated Tax.

Line 64

Applied to 1988 Estimated Tax

Subtract line 63 from line 62. This is the amount that will be applied to your estimated tax for 1988. Enter this amount on line 64.

We will apply amounts to your account unless you request us to apply it to your spouse's account. The request should include your spouse's social security number.

Line 65

Amount You Owe (If line 53 is larger than line 61)

Subtract line 61 from line 53 and enter the result. This is the amount you owe.

Attach your check or money order for the full amount when you file. **Do not** include any estimated tax payment in your check or money order. If line 65 is under $1, you do not have to pay.

Income Tax Withholding for 1988. If you do owe tax for 1987, you may want to increase the amount of income tax withheld from your pay for 1988. To do this, file **Form W-4**, Employee's Withholding Allowance Certificate, with your employer. Otherwise, you may have to make estimated tax payments for 1988. See **Should You Make Estimated Tax Payments for 1988?** on this page.

For more details, get **Publication 505**, Tax Withholding and Estimated Tax.

Underpayment of Estimated Tax

If line 65 is $500 or more and more than 10% of the tax shown on your return, or you underpaid your 1987 estimated tax liability for any payment period, you may owe a penalty. **Form 2210 (Form 2210F** for farmers and fishermen) is used to see if you owe a penalty and to figure the amount of the penalty. You may figure the penalty yourself by completing and attaching that form to Form 1040, or IRS will figure the penalty for you and send you a bill. But if you use the annualized income installment method to figure your required payments, you must complete and attach Form 2210 to Form 1040 even if you do not owe the penalty.

Note: *The penalty may be waived under certain conditions. Get **Publication 505**, Tax Withholding and Estimated Tax, for details.*

If you underpaid your 1987 income tax, you will **not** owe a penalty or have to complete Form 2210 (or Form 2210F), if

1. you had no tax liability for 1986,
2. you were a U.S. citizen or resident for all of 1986, and
3. your 1986 tax return was for a tax year of 12 full months.

If you attach Form 2210 or 2210F, be sure to check the box below line 65 and enter the amount of any penalty you owe in the space provided. If you owe tax, add the penalty amount to the tax due and show the total on line 65. Or, if you are due a refund, subtract the penalty amount from the overpayment you show on line 62.

Should You Make Estimated Tax Payments for 1988?

In general, you do not have to make estimated tax payments if you expect that your 1988 Form 1040 will show a tax refund, or a tax balance due IRS of less than $500. If your total estimated tax (including any alternative minimum tax) is $500 or more, please get **Form 1040-ES**. It contains a worksheet that you can use to see if you have to make estimated tax payments.

Sign Your Return

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return. Be sure to date your return and show your occupation in the space provided. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer** on page 21.

Dependent Child's Return. If your dependent child cannot sign his or her return because of age or other reasons, you may sign your child's name in the space provided followed by the words "By (your signature), parent (or guardian) for minor child."

Did You Have Someone Else Prepare Your Return? If you fill in your own return, the Paid Preparer's space should remain blank. Someone who prepares your return but **does not charge you, should not sign.**

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

*The preparer required to sign your return **MUST:***

- *Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)*
- *Give you a copy of your return in addition to the copy to be filed with IRS.*

Tax return preparers should be familiar with their responsibilities. They should get **Publication 1045**, Information for Tax Practitioners, for more details.

Section 4

General Information

This section contains general information about items such as amending your tax return and how long to keep tax records.

Penalties and Interest

Interest. We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, gross valuation overstatements, and substantial understatements of tax. Interest is charged on the penalty as of the due date of the return (including extensions) to the date of payment.

Late Filing of Return. You can avoid penalties for late filing by sending in your return by the due date. The law provides a penalty of 5% of the tax due for each month, or part of a month, the return is late (maximum 25%) unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return. If your return is more than 60 days late, the penalty will not be less than $100 or 100% of the balance of tax due on your return, whichever is less.

Late Payment of Tax. Generally, the penalty for not paying tax when due is ½ of 1% of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25%. The penalty applies to any unpaid tax shown on the return. It also applies to any additional tax shown on a bill that is not paid within 10 days after the date of the bill. This penalty is in addition to interest charges on late payments.

Note: *If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in **Amount You Owe** on line 65.*

Penalty for Frivolous Return. In addition to any other penalties, the law imposes a penalty of $500 for filing a frivolous return. A frivolous return is one which does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes any alteration or striking out of the preprinted language above the space provided for your signature.

Other Penalties. There are also other penalties that can be imposed for negligence, substantial understatement of tax, and fraud. Get **Publication 17** for details on some of these penalties.

Address Change

If you move after you file your return and you are expecting a refund, you should notify the post office serving your old address. Also notify the IRS Service Center where you filed your return of your address change. This will help to forward your check to your new address as soon as possible.

Corresponding With IRS

Be sure to include your social security number in any correspondence with IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets used to figure them, until the statute of limitations runs out for that return. Usually this is 3 years from the date

the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. For more details, get **Publication 552.**

Requesting a Copy of Your Tax Return. If you need a copy of your tax return, use **Form 4506,** Request for Copy of Tax Form. The charge for a copy of a return is $4 25. If you need tax account information, contact your local IRS office. If you want a printed copy of your account, it will be mailed to you free of charge

Substitute Tax Forms

You may not use your own version of a tax form unless it meets the requirements contained in **Publication 1167** for acceptable privately designed and printed substitute tax forms. You can get Publication 1167 by writing to:

Forms Distribution Center
P.O. Box 25866
Richmond, VA 23260.

Amended Return

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, file **Form 1040X,** Amended U.S. Individual Income Tax Return, to change the Form 1040, 1040A, or 1040EZ you already filed.

Note: *If your Federal return is changed for any reason, it may affect your state income tax liability. This would include changes made as a result of an examination of your return by the IRS. Contact your state tax agency for more information.*

Free Tax Help

Videotape. A videotape of tax return instructions is available in either English or Spanish at participating libraries

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE). Help is available in most communities to older, handicapped, and non-English speaking individuals in preparing Form 1040EZ, Form 1040A, and the basic Form 1040 Call the toll-free telephone number for your area for the location of the volunteer assistance site near you

Small Business Workshops. Workshops are offered for self-employed or small business owners who want to learn about the tax aspects of running their businesses. For details, call the IRS at the number listed in your telephone directory under U.S. Government and ask for the Taxpayer Education Coordinator.

Death of Taxpayer

If the taxpayer died before filing a return for 1987, the taxpayer's spouse or personal representative must file and sign a return for the person who died if the deceased was required to file a return. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

The person who files the return should write "deceased" after the deceased's name and show the date of death in the name and address space at the top of the return. Also write **"DECEASED"** across the top of the tax return.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1987 and you did not remarry in 1987, you can file a joint return You can also file a joint return if your spouse died in 1988 before filing a 1987 return. A joint return should show your spouse's 1987 income before death and your income for all of 1987. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

If you are claiming a refund as a surviving spouse filing a joint return with the deceased and you follow the above instructions, no other form is needed to have the refund issued to you. However, all other filers requesting a refund due the deceased must file **Form 1310,** Statement of Person Claiming Refund Due a Deceased Taxpayer, to claim the refund.

For more details, see **Tele-Tax Information** in the index (topic no. 165) or get **Publication 559,** Tax Information for Survivors, Executors, and Administrators

Section 5

Instructions for Schedules to Form 1040

Instructions for Schedule A Itemized Deductions

Purpose of Schedule

Some taxpayers should itemize their deductions because they will save money. See **Should You Itemize?** on page 15

If you itemize, you can deduct part of your medical and dental expenses and unreimbursed employee business expenses and amounts you paid for certain taxes, interest, contributions, and certain miscellaneous expenses. You may also deduct certain casualty and theft losses Beginning in 1987, moving expenses are also deducted on Schedule A These deductions are explained below

Lines 1a through 4

Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 31.

Beginning in 1987, you may deduct only that part of your medical and dental expenses that is more than 7.5% of the amount on Form 1040, line 31

Include all amounts you paid during 1987 (including amounts you paid for hospital, medical, and extra medicare (Medicare B) insurance), but **do not** include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance, or your employer. Get **Publication 502** for details on insurance reimbursements If you received a reimbursement of prior-year medical or dental expenses in 1987, see the instructions for Form 1040, line 21. **Do not** reduce your 1987 expenses by this amount

Caution: *If you were self-employed, **do not** include the amount of health insurance you deducted on Form 1040, line 25, if any.*

When you figure your deduction, you may include medical and dental bills you paid for

- Yourself
- Your spouse
- All dependents you claim on your return
- Your child whom you do not claim as a dependent because of the rules explained on page 8 for **Children of Divorced or Separated Parents.**
- Any person that you could have claimed as a dependent on your return if that person had not received $1,900 or more of gross income or had not filed a joint return.

Example. You provided more than half of your mother's support but may not claim her as a dependent because she received $1,900 of wages during 1987. If part of your support was the payment of her medical bills, you may include that part in your medical expenses.

Note: *On line 1c, list the medical expense and the amount of the expense. Enter one total in the total amount column on line 1c.*

Examples of Medical and Dental Payments You MAY Deduct

To the extent you were not reimbursed, you may deduct what you paid for:

- Prescription medicines and drugs, or insulin.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered
- Nursing help. If you pay someone to do both nursing and housework, you may deduct only the cost of the nursing help
- Hospital care (including meals and lodging), clinic costs, and lab fees
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aid batteries, contact lenses, braces, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Lodging expenses (but not meals) paid while away from home to receive medical care in a hospital or a medical care facility that is related to a hospital. Do not include more than $50 a night for each eligible person.
- Ambulance service and other travel costs to get medical care If you used your own car, you may claim what you spent for gas and oil to go to and from the place you received the care; or you may claim 9 cents a mile. Add parking and tolls to the amount you claim under either method

Examples of Medical and Dental Payments You MAY NOT Deduct

- The basic cost of medicare insurance (Medicare A).

Note: *If you are 65 or over and not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage*

- Life insurance or income protection policies
- The 1.45% medicare (hospital insurance benefits) tax withheld from your pay as part of the social security tax or the medicare tax paid as part of social security self-employment tax.
- Nursing care for a healthy baby (You may qualify for the child and dependent care credit; get **Form 2441.**)
- Illegal operations or drugs.
- Nonprescription medicines or drugs
- Travel your doctor told you to take for rest or change
- Funeral, burial, or cremation costs.

Publication 502 has a discussion of expenses that may and may not be deducted It also explains when you may deduct capital expenditures and special care for handicapped persons

Lines 5 through 8

Taxes You Paid

Taxes You MAY Deduct

Line 5—State and local income taxes. Include on this line state and local income taxes that were withheld from your salary and any estimated payments made in 1987, including payments for a prior year. **Do not** reduce your deduction by either of the following.

- any state and local income tax refund (or credit) you expect to receive for 1987, or
- any refund of (or credit for) prior-year state and local income taxes you actually received in 1987 (see the instructions for Form 1040, line 11).

Line 6—Real estate taxes. Include taxes that you paid on property you own that was not used for business **Publication 530** explains the deductions homeowners may take

If your mortgage payments include your real estate taxes, do not take a deduction for those taxes until the year the mortgage company actually pays them to the taxing authority.

Line 7—Personal property taxes and other taxes. If you had any deductible tax not listed on Schedule A, lines 5 or 6 (such as personal property or foreign income tax), list the tax and the amount of tax. Enter one total in the total amount column on line 7

Personal property tax must be based on value alone For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you may deduct only the part based on value

If you paid tax to a foreign country or U S possession, you may want to take it as a credit instead of a deduction Please get **Publication 514**

Taxes You MAY NOT Deduct

- Federal income and excise taxes.
- Social security and railroad retirement (RRTA) taxes
- Customs duties
- Federal estate and gift taxes (However, see **Other Miscellaneous Deductions** on page 24.)
- Certain state and local taxes, including general sales tax, tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.)

Lines 9a through 13

Interest You Paid

Include interest you paid on nonbusiness items only Beginning in 1987, whether your interest expense is treated as investment or personal interest depends on how and, if the proceeds were received in cash, when you used the loan proceeds Get **Publication 545,** Interest Expense.

In general, if you paid interest in 1987 that includes amounts that apply to any period after 1987, you may deduct only the amount that applies for 1987.

Note: *If, at the end of 1987, you have a loan in existence whose term is in excess of 5 years and the loan agreement in any way refers to the "Rule of 78's," see Publication 545.*

Interest You MAY Deduct

Lines 9a and 9b—Home mortgage interest. If all of your mortgage debt on your principal home was borrowed **before** August 17, 1986 (and you have not borrowed any new amounts on that debt); **OR,** at all times in 1987, the total of your mortgage debts was less than or equal to what you paid for the home plus improvements (such as adding a room), the mortgage interest you paid is fully deductible on line 9a or 9b, whichever applies. Include the cost of improvements made to your home from the date you bought it through the end of 1987

But, you may not be able to deduct all the interest you paid on that home, and you will have to file **Form 8598,** Home Mortgage Interest, if

- You took out a new mortgage on that home **after** August 16, 1986, or borrowed any additional amounts on an existing mortgage on that home **after** August 16, 1986, **AND**
- At any time in 1987, the total of all your mortgage debts on that home was more than what you paid for it plus improvements

Note: *Special rules apply if you inherited your home or got it as a gift or if you paid mortgage interest on a residence other than your principal home See the instructions for Form 8598 and Publication 545.*

If you paid $600 or more of mortgage interest, the recipient of this interest will generally send you a **Form 1098,** Mortgage Interest Statement, or similar statement, by February 1, 1988, showing the total interest received during 1987 However, any "points" you paid will not be shown on this statement.

Note: *If the recipient was not a financial institution and you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 9b*

Line 9a. Enter the deductible mortgage interest you paid directly, or indirectly, to financial institutions If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of the person who received the form. Next to line 9a, write "see attached "

If you paid more mortgage interest than is shown on Form 1098, get Publication 545 to see if you can deduct the additional interest If you can, attach a statement to your return explaining the difference and write "see attached" next to line 9a

Note: *If you are claiming the Mortgage Interest Credit (see instructions for Form 1040, line 42), subtract the amount shown on line 3 of **Form 8396** from the total deductible interest you paid on your home mortgage and enter the result on line 9a*

Line 10—Points. Points (including loan origination fees) charged **only** for the use of money and paid with funds other than those obtained from the lender are deductible over the life of your mortgage **Exception.** Points may be deducted in the year paid if the loan was used to **buy or improve your principal home,** the loan was secured by that home, in the area where the loan was made it is customary to charge points, and the points you paid did not exceed the number of points usually charged in that area This exception generally does not apply to points paid to refinance your mortgage For more details, get Publication 545

Line 11—Investment interest. Investment interest is interest paid on money you borrowed that is allocable to property held for investment It does not include any interest taken into account on **Form 8582** in figuring your income or loss from a passive activity.

Generally, for 1987, your investment interest deduction is limited to your net investment income However, if your investment interest is more than your net investment income, you may be able to deduct up to 65% of the excess

Complete and attach **Form 4952,** Investment Interest Expense Deduction, to figure your deduction **Exception.** If your only investment income was from interest or dividends, you do not have any other deductible expenses directly connected with the production of that income, and your investment interest does not exceed the total of that income, you do not have to complete Form 4952. Instead, enter the investment interest you paid on line 11

For more details, get **Publication 550,** Investment Income and Expenses

Lines 12a and 12b—Personal Interest. For 1987, only 65% of personal interest (such as interest paid on car loans and credit cards) is deductible. Include on line 12a interest you paid on

- Bank and other general purpose credit cards Deduct the finance charge paid as interest if no part of it was for service charges, membership fees, loan fees, credit investigation fees, etc.

- Revolving charge accounts Deduct any finance charge a retail store added if the charges were based on your monthly unpaid balance
- Your personal note for money you borrowed from a bank, a credit union, or another person
- Loans on life insurance if you paid the interest in cash and you report on the cash basis
- Installment loans on personal property, such as cars and appliances
- Taxes you paid late Show only the interest, do not include any amount that is considered a penalty If the tax is deductible, show it under **Taxes You Paid** (lines 5 through 8 of this schedule)

Note: *Special rules apply to interest expense imputed on below-market loans Get* ***Publication 545***.

Interest You MAY NOT Deduct

Do not include interest paid on your debts by others, such as mortgage interest subsidy payments made by a government agency Also do not include the interest you paid for—

- Certain loans against your interest in a 401(k) plan or a tax-sheltered annuity plan that were made, renewed, renegotiated, modified, or extended after 1986 (Get **Publication 575**, Pension and Annuity Income, for details)
- Tax-exempt income This includes interest on money you borrowed to buy or carry wholly tax-exempt securities This also includes interest paid to purchase or carry obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is tax exempt
- A loan on life insurance if the interest is added to the loan and you report on the cash basis
- A debt to buy a single-premium life insurance or endowment contract
- Any kind of business transaction. (Use Schedules C, E, or F of Form 1040 to deduct business interest expenses)

Get Publication 545 for more details

Lines 14a through 17

Contributions You Made

You may deduct what you actually gave to organizations that are religious, charitable, educational, scientific, or literary in purpose You may also deduct what you gave to organizations that work to prevent cruelty to children or animals

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, etc
- Fraternal orders, if the gifts will be used for the purposes listed above
- Veterans' and certain cultural groups
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc
- Federal, state, and local governments if the gifts are solely for public purposes.

If you contributed to a charitable organization and also received a benefit from it, you may deduct only the amount that is more than the value of the benefit you received

If you do not know whether you may deduct what you gave to an organization, check with that organization or with IRS.

Contributions You MAY Deduct

Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above If you drove to and from the volunteer work, you may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you)

Limit on the amount you may deduct. Get **Publication 526**, Charitable Contributions, to figure the amount of your deduction if any of the following applies

- your deductible charitable travel expenses include meals,
- your cash contributions or contributions of ordinary income property are more than 30% of Form 1040, line 31,
- your gifts of capital gain property to certain organizations are more than 20% of Form 1040, line 31, or
- you gave gifts of property that increased in value or gave gifts of the use of property

You MAY NOT Deduct As Contributions

- Beginning in 1987, travel expenses (including meals and lodging) while away from home unless there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Political contributions
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups
- Cost of raffle, bingo, or lottery tickets
- Cost of tuition
- The value of your time or services
- Value of blood given to a blood bank
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred)
- Gifts to
  - a. Individuals
  - b. Foreign organizations
  - c. Groups that are run for personal profit
  - d. Groups whose purpose is to lobby for changes in the laws
  - e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property You should also keep reliable written records for each gift of property that include the following information.

a. How you figured the property's value at the time you gave it (If the value was determined by an appraisal, you should also keep a signed copy of the appraisal.)

b. The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value

c. How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property

d. Any conditions attached to the gift

Note: *If your total deduction for gifts of property is over $500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(h), your records should contain additional information Get Publication 526 for details*

Line 14a Enter your total cash contributions (including out-of-pocket expenses) **except** those that total $3,000 or more to any one organization

Line 14b. Enter cash contributions totaling $3,000 or more to any one organization Show to whom and how much you gave in the space provided

Line 15. Enter your contributions of property If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale If your total deduction for gifts of property is more than $500, you must complete and attach **Form 8283**, Noncash Charitable Contributions. If your total deduction is over $5,000, you may also have to get appraisals of the values of the donated property See Form 8283 and its instructions for details

Line 18

Casualty and Theft Losses

Use line 18 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property Complete and attach **Form 4684**, Casualties and Thefts, to figure your loss Enter on line 18 of Schedule A the amount of loss from Form 4684

Losses You MAY Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution

You may deduct nonbusiness casualty or theft losses only to the extent that—

a. the amount of **EACH** separate casualty or theft loss is more than $100, and

b. the total amount of **ALL** losses during the year is more than 10% of your adjusted gross income on Form 1040, line 31

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts Get Form 4684 for details.

Losses You MAY NOT Deduct

- Money or property misplaced or lost
- Breakage of china, glassware, furniture, and similar items under normal conditions
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease

Use line 21 of Schedule A to deduct the costs of proving that you had a property loss (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.)

For more details, get **Publication 547** It also gives information about Federal disaster area losses

Line 19

Moving Expenses

Beginning in 1987, moving expenses are allowed only as an itemized deduction Employees and self-employed persons (including partners) can deduct certain moving expenses

You can take this deduction if you moved in connection with your job or business and your change in job location has added at least 35 miles to the distance from your old residence to your workplace If you had no former workplace, your new workplace must be at least 35 miles from your old residence If you meet these requirements, see **Tele-Tax Information** in the index (topic no 304) or **Publication 521**, Moving Expenses Complete and attach **Form 3903** to figure the amount of moving expenses to enter on line 19. If you began work at a new workplace outside the United States or its possessions, get **Form 3903F**, Foreign Moving Expenses.

Lines 20 through 25

Miscellaneous Deductions

Expenses You MAY Deduct

Beginning in 1987, unreimbursed employee business expenses, expenses of producing income, and most other miscellaneous expenses are deductible only to the extent the total amount of such expenses exceeds 2% of the amount on Form 1040, line 31 (However, handicapped employees should also see line 25 instructions.) Generally, any other limit that applies to these expenses is taken into account before the 2% AGI limit For more details, get **Publication 529**, Miscellaneous Deductions

Expenses Subject to 2% AGI Limit

Line 20. Use this line to report your expenses attributable to your job that were not reimbursed by your employer or a third party

Examples of expenses to include on line 20 are

- Union dues
- Safety equipment, small tools, and supplies you needed for your job
- Uniforms your employer said you must have, and which you may not usually wear away from work
- Protective clothing, required in your work, such as hard hats and safety shoes and glasses
- Physical examinations your employer said you must have
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Business use of part of your home but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer Beginning in 1987, new limits apply to the amount of expenses you may include For details, see **Tele-Tax Information** in the index (topic no 309) or **Publication 587**, Business Use of Your Home
- Educational expenses you paid for education required by your employer, or by law or regulations, to keep your present salary or job In general, you may also include the cost of maintaining or improving skills you must have in your present position. For more details, see **Tele-Tax Information** in the index (topic no. 313) or **Publication 508**, Educational Expenses Some educational expenses are not deductible (see **Expenses You MAY NOT Deduct**).

Beginning in 1987, you must complete and attach **Form 2106**, Employee Business Expenses, to figure the amount to enter on line 20 However, if none of your expenses were reimbursed by your employer or a third party and you are **NOT** claiming any meal, entertainment, travel, or transportation expenses, you do not have to complete Form 2106 Report your expenses on line 21 instead

Line 21. Use this line to report amounts you paid to produce or collect taxable income, manage or protect property held for producing income, or determine your tax List the type and amount of each expense Enter one total in the total amount column on line 21. If necessary, show the required information on an attached statement Examples of these expenses are

- Tax return preparation fee
- Safe deposit box rental.
- Certain legal and accounting fees
- Clerical help and office rent.
- Custodial (e g., trust account) fees
- Your share of the investment expenses of a regulated investment company.

Other Miscellaneous Deductions

Line 25. Only certain miscellaneous expenses are **not** subject to the 2% AGI limit Some of these expenses are

- Gambling losses, but not more than the gambling winnings you reported on Form 1040, line 21
- Federal estate tax attributable to income in respect of a decedent that is ordinary income
- Beginning in 1987, if you had a physical or mental disability or impairment, certain unreimbursed expenses you paid that were necessary for you to be able to work (For details, get **Publication 907**, Tax Information for Handicapped and Disabled Individuals.)

For more information on these and other expenses not subject to the 2% AGI limit, get Publication 529

List the type and amount of each expense Enter one total in the total amount column on line 25.

Expenses You MAY NOT Deduct

- Political contributions.
- Personal legal expenses
- Lost or misplaced cash or property (but see casualty and theft losses).
- Expenses for meals during regular or extra work hours
- The cost of entertaining friends
- Expenses of going to or from work
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation
- Beginning in 1987, expenses of
  - a. Travel as a form of education
  - b. Attending a convention, seminar, or similar meeting unless it is related to your employment
  - c. Adopting a child, including a child with special needs
- Fines and penalties
- Expenses of producing tax-exempt income

Instructions for Schedule B

Interest and Dividend Income

Purpose of Schedule

Use Schedule B if you are filing Form 1040 and you

- Had more than $400 in taxable interest,
- Had more than $400 in dividends,
- Had a foreign account, or
- Were a grantor of, or transferor to, a foreign trust

Part III of the schedule asks you to answer questions about foreign accounts and trusts

Part I

Interest Income

To see what interest income you must report, read the instructions for Form 1040, line 8, on page 9

The payer should send you a **Form 1099-INT** or **Form 1099-OID**, if applicable, showing interest you must report. If the total taxable interest from all payers is over $400, fill in Parts I and III of this schedule

Line 1

Report on line 1 the interest portion of any payments you received from an individual based on a take-back mortgage or other form of seller financing that resulted from the sale of your home or other property Show the payer's name and the amount

Line 2

Report on line 2 **ALL** taxable interest (other than seller-financed mortgage interest) that you received or that was credited to your account so you could withdraw it List each payer's name and show the amount

Nominees. Include on line 2 interest you received, as a nominee, that actually belongs to another person Several lines above line 3, put a subtotal of all interest income listed on line 2 Below this subtotal, write "Nominee Distribution" and show the interest amounts you received as a nominee Subtract these amounts from the subtotal and enter the result on line 3

Note: *If you received interest as a nominee, give the actual owner a* ***Form 1099-INT.***

Accrued Interest. When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller If you received a Form 1099 for interest as a purchaser of a bond with accrued interest, follow the rules above under **Nominees** to see how to report the accrued interest on Schedule B But identify the amount to be subtracted as "Accrued Interest "

Tax-Exempt Interest. If you received a **Form 1099-INT** for tax-exempt interest, such as from municipal bonds, report the interest on line 2 Several lines above line 3, put a subtotal of all interest listed on line 2 Below this subtotal, write "Tax-Exempt Interest" and show the amount. Subtract this amount from the subtotal and enter the result on line 3 Be sure to also include this tax-exempt interest on Form 1040, line 9

Original Issue Discount (OID). If you are reporting OID in an amount less than the amount shown on **Form 1099-OID**, follow the rules above under **Nominees** or **Accrued Interest**, whichever applies, to see how to report the OID on Schedule B. But identify the amount to be subtracted as "OID Adjustment."

Part II

Dividend Income

To see what dividend income you must report, read the instructions for Form 1040, line 10, on page 10.

The payer should send you a **Form 1099-DIV** showing dividends you must report If the total dividends from all payers are over $400, fill in Parts II and III of this schedule.

Line 4

Report on line 4 **ALL** of your dividend income Be sure to include capital gain and nontaxable distributions on this line They will be deducted on lines 6 and 7. Include cash and the value of stock, property, or merchandise you received as a dividend If you owned shares in a mutual fund, **Publication 564**, Mutual Fund Distributions, may be helpful.

List the payer's name and show the amount of income. If securities are held by a brokerage firm (in "street name"), list the name of the brokerage firm shown on **Form 1099-DIV**.

Nominees. Include on line 4 all dividends you received, including dividends you received, as a nominee, that actually belong to another person, even if you later distributed some or all of this income to others Several lines above line 5, put a subtotal of all dividends listed on line 4 Below this subtotal, write "Nominee Distribution" and show the amounts you received as a nominee Subtract these amounts from the subtotal and enter the result on line 5

***Note:** If you received dividends as a nominee, give the actual owner a **Form 1099-DIV**.*

Part III

Foreign Accounts and Foreign Trusts

Fill in this part if you had more than $400 of interest or dividend income, if you had a foreign financial account, or if you were the grantor of, or transferor to, a foreign trust

Line 10

Check the **Yes** box if either 1 or 2 below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account). **Exception.** Check **No** if any of the following applies to you

- The combined value of the accounts was $10,000 or less during the whole year
- The accounts were with a U S military banking facility operated by a U.S financial institution.
- You are an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation; the account is in your employer's name, **AND** you do not have a personal financial interest in the account.
- You are an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than $1 million and 500 or more shareholders of record; the account is in your employer's name; you do not have a personal financial interest in the account; and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts

Get **Form TD F 90-22.1** to see if you are considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If you checked **Yes** to question 10, file Form TD F 90-22 1 by June 30, 1988, with the **Department of the Treasury** at the address shown on that form **Do not** attach Form TD F 90-22 1 to Form 1040

You can get Form TD F 90-22 1 by writing to the IRS Forms Distribution Center for your state, as shown on the inside back cover

If you checked **Yes** to question 10, write the name of the foreign country or countries in the space provided Attach a separate sheet if you need more space

Instructions for Schedule D

Capital Gains and Losses and Reconciliation of Forms 1099-B

Changes You Should Note

- The Tax Reform Act of 1986 repealed the capital gain deduction and provided a maximum tax rate of 28% on net capital gains If you have a net capital gain and your taxable income is taxed over the 28% rate, your tax will be less if you use Part IV of Schedule D to figure your tax

***Note:** The repeal of the capital gain deduction does not apply to a gain from the sale of dairy cattle under a valid contract with the USDA milk termination program if it is taken into account after January 1, 1987, and before September 1, 1987 Get **Publication 225**, Farmer's Tax Guide, for more details*

- 1986 was the last year for **Form 4798**, Carryover of Pre-1970 Capital Losses If you used Form 4798 in 1986 and had an entry on line 44 and/or line 50, enter the carryover(s) on Schedule D, line 6 and/or line 15
- Passive activity gains and losses may also have to be reported on **Form 8582**, Passive Activity Loss Limitations. In some cases, the loss may be limited under the passive activity rules Get Form 8582 and its instructions to see how to report capital gains and losses from a passive activity

The installment method can no longer be used for sales of publicly traded stock and securities sold after December 31, 1986. If you made a year-end stock sale on an established market use the trade date as the date sold even if your broker uses the settlement date

Purpose of Schedule

Use Schedule D (Form 1040) to report a sale or exchange of a capital asset (defined below) and to reconcile Forms 1099-B (other than real estate transactions) to your tax return Schedule D is also used to report gains from involuntary conversions of capital assets that are not held in connection with a trade or business or a transaction entered into for profit

Use **Form 4797**, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions, instead of Schedule D to report the following:

- The sale or exchange of trade or business property, depreciable and amortizable property, oil, gas, geothermal, or other mineral property, and section 126 property
- The involuntary conversion (other than by casualty or theft) of trade or business property and capital assets held in connection with a trade or business or a transaction entered into for profit
- Disposition of other noncapital assets not mentioned above

Use **Form 4684**, Casualties and Thefts, to report involuntary conversions of property due to casualty or theft

Get **Publication 544**, Sales and Other Dispositions of Assets, and **Publication 550**, Investment Income and Expenses, for more information.

Form 1099-A, Information Return for Acquisition or Abandonment of Secured Property. If you received a Form 1099-A from your lender, you may have gain or loss to report because of the acquisition or abandonment. Get Publication 544 for details

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset For example, your house, furniture, car, and stocks and bonds are capital assets

A capital asset is any property held by a taxpayer **except** the following.

a. Stock in trade or other property included in inventory or held for sale to customers.

b. Accounts or notes receivable you received for services in the ordinary course of your trade or business, or from the sale of any property described in a, or for services you performed as an employee

c. Depreciable property used in your trade or business even if it was fully depreciated

d. Real property (real estate) used in your trade or business.

e. A copyright, a literary, musical, or artistic composition, a letter or memorandum, or similar property (1) created by your personal efforts; or (2) prepared or produced for you (in the case of a letter, memorandum, or similar property); or (3) that you received from a taxpayer mentioned in (1) or (2), in a way (such as by gift) that entitled you to the basis of the previous owner

f. U S. Government publications (including the Congressional Record) that you received from the government, other than by purchase at the normal sales price, or that you got from another taxpayer who had received it in a similar way, if your basis is determined by reference to the previous owner.

Short-Term or Long-Term

Separate your capital gains and losses according to how long you held or owned the property The holding period for long-term capital gains and losses is more than 6 months The holding period for short-term capital gains and losses is 6 months or less

To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it Use the trade dates for date acquired and date sold for stocks and bonds on an exchange or over the counter market

Generally, a nonbusiness bad debt must be treated as a short-term capital loss.

Capital Losses

The capital loss that can be applied against other income after offsetting capital gains is limited to $3,000 ($1,500 if married filing a separate return)

Losses That Are Not Deductible

Do not deduct a loss from the sale or exchange of property, directly or indirectly, between any of the following

- Members of a family.
- A corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (not counting liquidations).
- A grantor and a fiduciary of a trust
- A fiduciary and a beneficiary of the same trust
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor
- An individual and a tax-exempt organization controlled by the individual or the individual's family
- A partnership and a corporation if the same taxpayers own directly or indirectly more than 50 percent of the capital interest, or profits interest, in the partnership or corporation.

Get Publication 544 for more information on sales and exchanges between related parties.

If you dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, get the instructions for **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c) If the asset is also from a passive activity, you may also have to file Form 8582. When the loss becomes allowable under the at-risk rules, it is then subject to the passive activity rules.

Items for Special Treatment and Special Cases

The following items may require special treatment

- Transactions by a securities dealer
- Wash sales of stock or securities.
- Bonds and other evidence of indebtedness
- Certain real estate subdivided for sale which may be considered a capital asset.
- Distributions received from an employee pension, profit-sharing, or stock bonus plan. (Get **Form 4972**, Tax on Lump-Sum Distributions Also, get **Publication 575**, Pension and Annuity Income.)
- Gain on the sale of depreciable property to a more than 50% owned entity, or to a trust of which you are a beneficiary
- Gain on the disposition of stock in an Interest Charge Domestic International Sales Corporation.
- Gain on the sale or exchange of stock in certain foreign corporations
- Gain or loss on options to buy or sell, including closing transactions
- Transfer of property to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership
- Transfer of property to a partnership which would be treated as an investment company if the partnership were incorporated
- Gain on the sale of qualified reinvested dividends from a qualified public utility. Get **Publication 550** for details
- Transfer of appreciated property to a political organization
- Loss on sale, exchange, or worthlessness of small business stock (section 1244 stock)
- In general, no gain or loss is recognized on a transfer of property from an individual to a spouse or a former spouse (but only if the transfer is incident to divorce) Get **Publication 504**, Tax Information for Divorced or Separated Individuals
- Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument

Losses from the disposition of wetlands and highly erodible croplands converted to agricultural use (other than livestock grazing) after 3/1/86 and disposed of in taxable years ending after that date are reported on Schedule D, but gains are reported on Form 4797.

For rules on nontaxable exchanges, gifts of property, and inherited property, get Publication 544

For treatment by shareholders of corporate liquidations, get **Publication 542**, Tax Information on Corporations

For information on mutual fund transactions, get **Publication 564**, Mutual Fund Distributions.

Exchange of Like-Kind Property

Report the exchange of "like-kind" property even though no gain or loss is recognized when you exchange business or investment property for property of "like-kind." For exceptions, get Publication 544

Identify in column (a) the property you disposed of. Enter the date you acquired it in column (b), and the date you exchanged it in column (c). Write "like-kind exchange" in column (d). Enter the cost or other basis in column (e). Enter zero in columns (f) and (g)

Sale or Exchange (Other Than Involuntary Conversion) of Capital Assets Held for Personal Use

This type of gain is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible

Disposition of Partnership Interest

A sale or other disposition of an interest in a partnership may result in ordinary income Get **Publication 541**, Tax Information on Partnerships

Long-Term Capital Gains From Regulated Investment Companies

Include in income as a long-term capital gain the amount(s) shown on **Form 2439** that represents your share of the undistributed capital gains of a regulated investment company Enter the tax paid by the company as shown on Form 2439 on line 60 of Form 1040. Add to the basis of your stock, the excess of the amount included in income over the credit

Sale of Residence

Use **Form 2119**, Sale or Exchange of Principal Residence, to report a gain from the sale of your principal residence whether or not you bought another one For more information, get **Publication 523**, Tax Information on Selling Your Home

Installment Sales

If you sold property at a gain (other than publicly traded stocks or securities), and you will receive a payment in a tax year after the year of sale, you must report the sale on the installment method unless you elect not to. Use **Form 6252**, Computation of Installment Sale Income Also use Form 6252 if you received a payment in 1987 for a sale made in an earlier year on the installment method

If you want to elect out of the installment method, report the sale as follows on a timely filed return (including extensions).

(1) Report the full amount of the sale on Schedule D

(2) If you received a note or other obligation and are reporting it at less than face value (including all contingent payment obligations), complete Part VI If you received more than one, enter the amounts separately in the spaces in Part VI

Section 1256 Contracts and Straddles

Use **Form 6781** to report gains and losses from section 1256 contracts and straddles Get **Publication 550** for more information

Specific Instructions

Line 1

Reconciliation of Forms 1099-B for Sales of Stocks, Bonds, etc.

Enter your total sales of stocks, bonds, etc , reported for 1987 by your broker to you on Form(s) 1099-B or on an equivalent

substitute statement(s) but do not include real estate transactions reported to you on Form 1099-B or on an equivalent substitute statement If line 1 differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference There may be differences between line 1 and the total of lines 2b and 9b if you reported a Form 1099-B transaction in one year but did not receive a Form 1099-B until the following year For example, you use the trade date but your broker files Form 1099-B based on the settlement date A difference would also occur if you received a Form 1099 B for an item that represents a return of capital

Note: If you attach your own schedule to show detail of gain or (loss), enter the total sales price of all Form 1099 B transactions included in your own schedule on lines 2b and 9b Report the total gain and the total loss separately on lines 7 and 16

Column (d)
Sales Price

Enter in this column either the gross sales price or the net sales price from the sale If you sold stocks or bonds and you received a Form 1099 B or similar statement from your broker that shows gross sales price, enter that amount in column (d) However, if the broker advised you that gross proceeds (gross sales price) less commissions and option premiums were reported to IRS, enter that net amount in column (d) If the net amount is entered in this column, do not include the commissions and option premiums in column (e)

Caution: Be sure to add all sales price entries in column (d) on lines 2a and 9a and enter the totals on lines 2b and 9b

Column (e)
Cost or Other Basis

In general, the cost or other basis is the cost of the property plus purchase commissions, improvements, and minus depreciation, amortization, and depletion If you inherited the property or got it as a gift in a tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cash cost as the basis If you do not use cash cost, attach an explanation of your basis

When selling stock adjust your basis by subtracting all the nontaxable distributions you received before the sale Also adjust your basis for any stock splits

The basis of property acquired by gift generally is the basis of the property in the hands of the donor

The basis of property acquired from a decedent is generally the fair market value at the date of death

The cost or other basis of an OID debt instrument is increased by the amount of OID that has been included in gross income for that instrument

If a charitable contribution deduction is allowed because of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value

Increase your cost or other basis by any expense of sale such as broker's fee, commission, and option premium before making an entry in column (e), unless you reported net sales price in column (d)

For more information, get **Publication 551**, Basis of Assets

Lines 2a and 9a

Enter all sales of stocks, bonds, etc whether or not you actually received a Form 1099 B Do not include real estate transactions on lines 2a and 9a These transactions should be reported on lines 2c and 9c, unless they are reported directly on Forms 2119, 4797, or 6252

Line 6

Short-Term Capital Loss Carryover

Enter the amount from your 1986 Schedule D, line 28, or your 1986 Form 4798, Part II, line 44

Line 15

Long-Term Capital Loss Carryover

Enter the amount from your 1986 Schedule D, line 34, or your 1986 Form 4798, Part II, line 50

Part VII

Reconciliation of Forms 1099-B for Bartering Transactions

This part will enable IRS to compare amounts of bartering income reported to you on Forms 1099 B with amounts you report on your tax return

Instructions for Schedule E Supplemental Income

Changes You Should Note

At-Risk Rules The at-risk rules have been extended to cover the holding of real property (other than mineral property) placed in service after December 31, 1986 Although nonrecourse financing is generally not considered an amount at risk, qualified nonrecourse financing that is secured by real property used in an activity of holding real property is considered an amount at risk

Passive Activity. Beginning in 1987, new rules apply that generally limit your losses from passive activities These rules generally apply to trade or business activities in which you do not materially participate and to rental activities See **Passive Activity Losses** on page 28

REMICs. If you are a residual holder of a Real Estate Mortgage Investment Conduit (REMIC), see the instructions for new Part IV

Optional Depreciation Worksheet.—The optional depreciation worksheet which was used to figure depreciation on assets placed in service before 1981 has been eliminated See instructions for line 21 of Part I

Purpose of Schedule

Use Schedule E to report income or (loss) from rents, royalties, partnerships, S corporations, estates, trusts, and REMICS

Note: If you attach your own schedule(s) to report income or (loss) from any of these sources, use the same format as the Schedule E Enter separately on Schedule E the total income and the total loss for each part ***DO NOT*** *combine the total income with the total loss on the separate schedule(s).*

Filers of Forms 1041 and 1041S. Enter your employer identification number in the block labeled "Your social security number"

At-Risk Rules (Parts I and II)

If you have (1) a loss from any activity that you, your partnership, or S corporation engaged in as a trade or business or for the production of income, including the holding of real property (other than mineral property) placed in service after December 31, 1986, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule E

Amounts for which you are not at risk are amounts such as the following

1. nonrecourse loans used to finance the activity, acquire property used in the activity, or acquire your interest in the activity, unless they are secured by property not used in the activity or by real property used in an activity of holding real property,
2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement,
3. loans from someone who has an interest in the activity, other than as a creditor, or who is related, under section 465 (b)(3)(C), to a person (other than yourself) having such an interest, or
4. amounts contributed to the activity, or to your interest in the activity that is covered by

- nonrecourse loans or protected against loss by a guarantee, stop-loss agreement, or similar arrangement, or
- loans from a person described in 3 above

Get **Publication 925**, Passive Activity and At-Risk Rules, for more information

The at-risk rules may apply to a member of a partnership or joint venture; a shareholder in an S corporation, or a lessor of certain property Generally, the amount you have at risk limits the loss you can deduct for any tax year

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation See Form 6198 and the related instructions for more information

If, in addition to the amount that you report on Schedule E, you sell or otherwise dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198

If you have amounts that are not at risk, get Form 6198 to determine the amount of deductible loss If the loss is from Part I, Schedule E, enter the deductible amount

from Form 6198 in the appropriate column(s) on line 23 of Schedule E If the loss is from Part II, Schedule E, and the activity is a nonpassive activity, enter the deductible amount from Form 6198 in column (h) of Schedule E. If your loss is from a passive activity, your loss may be further limited You must file Form 8582 to figure the amount of your deductible loss See **Passive Activity Losses** below

Any loss from an activity not allowed for the tax year because of the at-risk rules is treated as a deduction allocable to the activity in the next tax year

Passive Activity Losses (Parts I–III)

Beginning in 1987, you generally can deduct losses from passive activities only to the extent of income from passive activities Exceptions apply to certain activities, such as rental real estate activities (see Part I instructions) Also, phase-in rules apply to passive activities acquired before October 23, 1986

Losses from passive activities are first subject to the at-risk rules Losses deductible under the at-risk rules are then subject to the passive activity rules

A passive activity generally is any activity involving the conduct of any trade or business in which you **DO NOT** materially participate In addition, a rental activity is a passive activity regardless of whether you materially participate in the rental activity

You are considered to materially participate in an activity if you are involved on a regular, continuous, and substantial basis in the operation of the activity Except as otherwise provided in regulations, you do not materially participate if you own an interest in a limited partnership

However, a working interest in oil and gas property that you hold directly or through an entity that does not limit your liability is not a passive activity even if you do not materially participate

Generally, royalty income not derived in the ordinary course of a trade or business reported on Schedule E is not considered income from a passive activity

Use **Form 8582**, Passive Activity Loss Limitations, to summarize your income and losses from passive activities and to figure the amount of loss that you are allowed to deduct for each passive activity

For more information on passive activities, see the instructions for Parts I, II, and III of Schedule E, the instructions for Form 8582, and Publication 925

Part I

Rental and Royalty Income or (Loss)

Generally, you should use this part to report rental and royalty income Report rents from property you own or control, including room and other space rentals However, if you provided significant services to the renter, or if your business was selling real estate, report the income on **Schedule C (Form 1040)**. For more information on rental income and expenses, see **Tele-Tax Information** in the index (topic no 213) or get **Publication 527**, Rental Property

Report royalties from oil, gas, or mineral properties, copyrights, and patents However, if you hold an operating oil, gas, or mineral interest, or are in business as a self-employed writer, inventor, artist, etc , report gross income and expenses on Schedule C (Form 1040)

If you use Part I to report rental and royalty income, enter your rental and royalty expenses for each property in the appropriate columns on lines 6 through 22

If you have a loss from an activity, see **At-Risk Rules** and **Passive Activity Losses** discussed earlier

If you have more than three rental or royalty properties, complete and attach as many Schedules E as are needed to list the properties Complete lines 1, 2, and 3 for each property However, fill in the "Totals" column for lines 4, 5, 12, 20, 21, and 25 through 29 on only one Schedule E The figures in the total column on that Schedule E should be the combined totals of all the schedules

If you also need to use page 2 of Schedule E, use the same Schedule E that you used to enter the combined totals in Part I

Rentals

If you were not in the real estate sales business and you received rent from property you own or control, report it on line 4 If you received services or property, instead of money, as rent, report its fair market value

You can deduct an amount for the depreciation of rental property You can also deduct all normal expenses, such as taxes, interest, repairs, insurance, maintenance, and agent's commissions

Do not deduct the value of your own labor Do not deduct capital investments or improvements, instead, add these to the basis of the property for depreciation

Renting Out Part of Your Home. If you rent out only part of your home or other property, deduct the part of your expenses that apply to the rented part

Renting Out a Home That Is Also Used for Personal Purposes. Generally, you may deduct only those expenses which apply to the time that the home or other dwelling unit is rented out A dwelling unit includes a house, apartment, condominium, mobile home, boat, or similar property Also, if you or your family used the property as a residence, certain expenses cannot be more than the gross rental income minus the sum of the business percentage of mortgage interest, real estate taxes, and casualty loss, plus your other expenses. Generally, any amount you cannot deduct for 1987 because of this limitation, may be taken into account for 1988 See **Publication 545**, Interest Expense, to determine how much interest you may deduct Generally, a home or other dwelling unit is used as a residence if you or your family used it for personal purposes for more than the greater of 14 days, or 10% of the number of days during 1987 that the property was actually rented out at a fair rental.

A day of personal use is any day, or part of a day, that the unit is used—

- for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- by a member of your family or family member of any other person who has an interest in it, unless the unit is rented at fair rental as that person's residence, or
- by anyone under an arrangement that lets you use some other dwelling unit, or
- by anyone at less than fair rental

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses However, if you itemize your deductions, you may deduct interest, taxes, and casualty losses on **Schedule A (Form 1040)**. You do not have to report the rental income

Line 3. A rental real estate activity is treated as a passive activity and, therefore, is subject to the limitation on losses from passive activities However, a special rule applies if you actively participated in rental real estate activities and had losses from these activities In general, you may be able to deduct up to $25,000 of losses from all rental real estate activities However, other amounts apply if you are married filing separately.

The active participation requirement can be met without regular, continuous, and substantial involvement in operations, as long as you participated in making management decisions or arranging for others to provide services (such as repairs), in a significant and bona fide sense Management decisions that are relevant in this context include approving new tenants, deciding on rental terms, approving capital or repair expenditures, and other similar decisions

For more information, see the instructions for Form 8582 and Publication 925

Lines 12 and 13 Beginning in 1987, new rules apply for allocating interest expense for purposes of applying the passive activity loss limits In general, to determine your interest expense allocable to the rental activities, you will have to keep records to show how the proceeds of each debt were used Specific tracing rules apply for allocating debt proceeds and repayment of the debt

See **Publication 535**, Business Expenses, for further information, including special transitional rules that may require you to attach statements to your tax return.

If you have a mortgage on your rental property, enter on line 12 the interest you paid for 1987 to financial institutions Be sure to fill in the "Totals" column

If you paid $600 or more of interest on this mortgage, you should receive by February 1, 1988, a **Form 1098**, Mortgage Interest Statement, or similar statement, showing the total interest received from you during 1987 If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage, and the other

person received the Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098 In the left margin, next to line 12, write "see attached."

If you paid more mortgage interest than is shown on your Form 1098, or similar statement, get **Publication 545** to see if you can deduct the additional interest If you can, attach a statement to your return explaining the difference and write "see attached" in the left margin next to line 12.

Line 21. You may take a deduction for depreciation each year for property used for rental purposes The deduction does not apply to land and personal use property

If you placed any property in service **after 1980**, complete **Form 4562**, Depreciation and Amortization Enter on line 21 the amount from Form 4562, Part I. If you are depreciating **only** property placed in service **before 1981**, you do not need Form 4562 Figure depreciation on a worksheet from your own books and records and enter the total depreciation on line 21 You do not need to attach the worksheet to your return. For a sample worksheet, see **Publication 534**, Depreciation, or see the optional worksheet from Part V of your 1986 Schedule E

For more information on depreciation, see the instructions for Form 4562 and Publication 534.

Line 24. Enter on line 24 the amount of your deductible rental loss Generally, you will have to complete Form 8582 to figure the amount to enter on line 24. However, you do not have to complete Form 8582 if you meet **ALL** of the conditions listed below

- you have losses only from rental real estate activities shown on line 23,
- you have no credits related to those activities,
- you actively participated in the operation of the activities,
- you have no losses or credits from other passive activities,
- if you are married filing separately, you lived apart from your spouse all year,
- your total losses from the rental real estate activities are $25,000 or less ($12,500 or less if married filing separately and you lived apart from your spouse all year),
- your modified adjusted gross income, defined below, is $100,000 or less ($50,000 or less if married filing separately and you lived apart from your spouse all year), and
- if you have income from rental activities shown on line 23, you have no credits related to those activities

If you meet all the conditions listed above, your rental real estate losses are not limited Enter the amount of the loss from line 23 on line 24

If you do not meet all of the conditions listed above, you MUST complete and attach Form 8582

Modified adjusted gross income is computed without regard to any passive activity loss, any taxable social security or railroad retirement benefits, and any deductible contributions to an IRA or other qualified retirement plan under section 219

Royalties

Report on line 5 royalties from oil, gas, or mineral properties (not including operating oil, gas, or mineral interests); copyrights; and patents If you received $10 or more of royalties, you should receive, by February 1, 1988, a **Form 1099-MISC** or similar statement, showing the royalties. If you are in business as a self-employed writer, inventor, artist, etc , report income and expenses on Schedule C (Form 1040). Under certain circumstances, you can treat amounts received as "royalties" for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset For more details, get **Publication 544**, Sales and Other Dispositions of Assets.

If state or local taxes were withheld from oil or gas payments you received, enter on line 5 the gross amount of royalty. Include the taxes withheld by the producer on line 16, but **DO NOT** include on line 16 the amount of windfall profit taxes actually withheld in 1987. Instead, enter that amount in Part V, line 40

Enter your depletion deduction on line 21 Get **Publication 535**, Business Expenses, for information on depletion

Rental Income From Farm Production or Crop Shares

Report farm rental income and expenses on **Form 4835**, Farm Rental Income and Expenses, if you meet these two tests:

a. You received rental income that was based on crops or livestock produced by the tenant.

b. You did not manage or operate the farm to any great extent

Note: *Any loss from this kind of activity is subject to the passive activity loss rules See Publication 925 for more information*

If you use Form 4835, enter on line 28 of Schedule E the net farm rental profit or loss from Form 4835. Also enter the gross farm rents from Form 4835, line 8, in Part VI of Schedule E, line 43

Note: *For purposes of the estimated tax penalty, income received from your share of crops and rental based on farm production is considered income from farming*

Expenses To Rehabilitate Low-Income Housing

You may amortize a portion of the costs you paid or incurred to rehabilitate qualified low-income housing if the rehabilitation began before January 1, 1987 For rehabilitation that began after 1986, the amortization deduction has been replaced by a new tax credit. Get **Form 8586**, Low-Income Housing Credit, and Publication 572 for more details Also, see Publication 925 for information on the passive activity loss rules as they apply to low-income housing.

Deduction For Removal of Barriers to the Handicapped and Elderly

You can deduct up to $35,000 of the costs you paid or incurred in 1987 to remove architectural or transportation barriers to the handicapped and the elderly Get Publication 535 for more details

Parts II and III

Income or (Loss) From Partnerships, S Corporations, Estates, or Trusts

If you are a member of more than one partnership, a shareholder in more than one S corporation, or a beneficiary of more than one estate or trust, enter all the information for each entity on the same line For example, if you are completing Part II and are a member of Partnerships X and Y, enter all the information for columns (a) through (j), as appropriate, for Partnership X on line A, and for Partnership Y on line B

If you need additional space in Parts II and III to list your income or losses, attach a continuation sheet using the same format as shown in Parts II and III However, be sure to complete the "Totals" columns for lines 30a and 30b, or lines 34a and 34b, as appropriate If you also completed Part I on more than one Schedule E, use the same Schedule E that you used to enter the combined totals in Part I

Tax Shelter Registration Number. If you are claiming or reporting any deduction, loss, credit, or other tax benefit, or reporting income from an interest purchased or otherwise acquired in a tax shelter, you must attach **Form 8271**, Investor Reporting of Tax Shelter Registration Number, to your return to report the tax shelter registration number as well as other information about the tax shelter There is a penalty if you fail to report this number on your tax return.

Tax Preference Items. If you are a partner, a shareholder in an S corporation, or a beneficiary of an estate or trust, you must take into account your share of tax preference items from these entities on **Form 6251**, Alternative Minimum Tax—Individuals For more information, get Form 6251

Partnerships and S Corporations

If you are a member of a partnership or joint venture or a shareholder of an S corporation, use Part II to report your share of the partnership or S corporation income (whether you received it or not) or loss. You should receive a **Schedule K-1** from the partnership or the S corporation Do not attach that schedule to your return Keep it for your records You should also receive a copy of the partner's or shareholder's Instructions for Schedule K-1 If you did not receive a copy of these instructions with your Schedule K-1, you can get a copy at most IRS offices

New rules apply that limit losses from passive activities Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items However, please note the following

- If you have either a passive or nonpassive activity loss from a partnership or S corporation, see the **At-Risk Rules** on page 27
- If you have a passive activity loss you must complete **Form 8582** to figure the amount of the allowable loss to enter in Part II, column (f), for that activity
- If you have passive activity income, complete Part II, column (g), for that activity

- If you have nonpassive activity income or loss, complete Part II, columns (h) through (j), as appropriate
- If you are treating items on your tax return differently from the way the partnership or S corporation reported the items on its return, you may have to file **Form 8082**.
- If you are claiming a deduction for recovery property (section 179) from a nonpassive activity, enter the amount of this deduction in column (i) of Schedule E New rules limit the amount of your section 179 deduction See **Publication 534**.

Partnerships. If you have other partnership items, such as depletion, show each item on a separate line in Part II If you claimed a credit for Federal tax on gasoline or other fuels on your 1986 Form 1040 (based on information received from the partnership), enter as income in column (g) or column (j), whichever applies, the amount of the credit claimed in 1986 If you have unreimbursed partnership expenses, show them on a separate line and enter the amounts in column (f) or (h), whichever applies

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self employment that must be reported on **Schedule SE (Form 1040)**. Enter the amount from Schedule K-1 (Form 1065), line 14a, on Schedule SE, Part I, after you have reduced this amount by any allowable expenses attributable to that income

If you have losses or deductions from a prior year that you could not deduct in the prior year because of the at-risk rules or basis rules, do not combine the prior-year amounts with any current-year amounts to arrive at a net figure to report on Schedule E Instead, report on separate lines on Schedule E prior-year amounts and current-year amounts

S Corporations. Your share of the net income is **NOT** subject to self-employment tax Also, distributions of prior-year accumulated earnings and profits of all S corporations are dividends and are reported on **Schedule B (Form 1040)**. For more information, get **Publication 589**, Tax Information on S Corporations

If you are a shareholder claiming a deduction for your share of the S corporation's net operating loss, attach to your return a computation of the adjusted basis of your stock in the corporation and the adjusted basis of any debt the corporation owes you. Your deduction is limited to that amount. However, any amount not allowed this year may be carried forward and deducted in a later year in which you have sufficient basis in the stock and debt See Publication 589 for information on adjustments to basis

Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income (whether you received it or not) or loss You should receive a **Schedule K-1 (Form 1041)** from the fiduciary Do not attach that schedule to your return Keep it for your records

Note: *If you are a beneficiary of a fiscal year trust, you will receive two Schedules K-1 (Form 1041) for 1987—one for the fiscal year ending during 1987, and one for the short year ending on December 31, 1987 See the instructions for Schedule K-1 for information on how to report the amounts shown on the schedules.*

New rules apply that limit losses from passive activities Your copy of Schedule K-1 and its instructions will tell you where on your return to report the items from Schedule K-1 However, please note the following

- If you have either a passive or nonpassive activity loss from an estate or trust, you will generally have to complete **Form 8582** to figure the amount to enter in Part III, column (c), for that activity
- If you have passive activity income from an estate or trust, complete Part III, column (d), for that activity
- If you have nonpassive activity income, deduction, or loss from an estate or trust, complete Part III, columns (e) and (f), as appropriate
- If you have estimated taxes credited to you from a trust (Schedule K-1, line 9a), write "ES payment claimed" and the amount on the dotted line to the left of the line 37 entry space **Do not** include this amount in the total on line 37; instead, enter the amount on Form 1040, line 55.

A U S. person who transferred property to a foreign trust may have to include in income the income received by the trust as a result of the transferred property if, during 1987, the trust had a U S beneficiary For more information, get **Form 3520-A**, Annual Return of Foreign Trust With U.S Beneficiaries.

Part IV

Income or (Loss) From REMICs

If you are a residual holder of a Real Estate Mortgage Investment Conduit (REMIC), use Part IV to report your total share of the REMIC's taxable income or (loss) for each quarter included in your tax year You should receive **Schedule Q (Form 1066)** and instructions from the REMIC for each quarter Do not attach the schedule(s) to your return, but keep for your records.

REMIC income or (loss) reported on Schedule E is not considered to be income or (loss) from a passive activity

Note: *If you are a regular holder of a REMIC, do not use Schedule E to report the income you receive Instead, report that income on Form 1040, line 8*

Column (c). Report the total of the amounts shown on Schedule(s) Q, line 2c, in Part IV, column (c) This total is the smallest amount of taxable income you may report on Form 1040, line 36, for 1987 This means that if the taxable income you show on Form 1040, line 36, is **smaller** than the total reported in column (c), you **must** use the amount from column (c) as your taxable income on Form 1040, line 36

Caution: *Do not include the amount shown in column (c) in the total on line 38 of Schedule E*

Column (e). Report the total of the amounts shown on Schedule(s) Q, line 3b, in Part IV, column (e) If you itemize your deductions on Schedule A (Form 1040), include this amount in the total on line 21 of Schedule A

If you are a residual holder in more than one REMIC, attach a continuation sheet using the same format as shown in Part IV Enter the totals of columns (d) and (e) on line 38 of Schedule E If you also completed Part I on more than one Schedule E, use the same Schedule E that you used to enter the combined totals in Part I.

If you are treating REMIC items on your tax return differently from the way the REMIC reported the items on its return, you may have to file **Form 8082**.

Part V

Caution: *If you are a member of a partnership, the amounts entered on lines 39 and 40 may affect your net earnings from self-employment on Schedule SE*

Line 39

In certain situations, you must report as income on line 39 the amount of any credit or refund of overpaid windfall profit tax you received in 1987 for tax year 1986, based on overwithholding or the net income limitation

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1986 on Schedule E, and received a tax benefit for the deduction on your 1986 tax return For more information, see the instructions for **Form 6249**, Computation of Overpaid Windfall Profit Tax

Line 40

If you are a cash method taxpayer, deduct on line 40 the amount of windfall profit tax actually withheld in 1987

Part VI

Line 43

Enter on this line your total share of gross farming and fishing income as shown on Form 4835, line 8, Schedule K-1 (Form 1065), line 14b; Schedule K-1 (Form 1120S), line 19, and Schedule K-1 (Form 1041), line 9

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests

1. your gross farming or fishing income for 1986 or 1987 is at least two-thirds of your gross income, and
2. you file your 1987 tax return and pay the tax due by March 1, 1988

Instructions for Schedule C

Profit or (Loss) From Business or Profession

Changes You Should Note

The Tax Reform Act of 1986 made a number of changes that may affect your 1987 return. Some of the changes include new rules for

- Travel, meal, and entertainment expenses. See page 2 and line 26 instructions.
- Self-employed health insurance costs. See page 2.
- State and local sales taxes. See line 25 instructions.
- Passive activity losses. Your losses from passive activities are generally limited. See instructions for new line J.
- Interest expense allocation. See the instructions for lines 17a and 17b.
- Asset acquisition. If after May 6, 1986, you buy or sell a group of assets that constitute a trade or business, you may have to complete and attach **Form 8594**, Asset Acquisition Statement, to Form 1040. Generally, you will have to file Form 8594 if goodwill or a going concern value attaches, or could attach, to such assets and the buyer's basis in the assets is determined only by the amount paid for the assets. Get Form 8594 for details.

Purpose of Schedule

If you operated a business or practiced a profession as a sole proprietorship, complete **Schedule C**. If you had more than one business, or if you and your spouse had separate businesses, you must complete a Schedule C for each business. Farmers should use **Schedule F**.

Filers of Forms 1041 and 1041S. You are not required to complete the block labeled "Social security number", however, be sure to enter your employer identification number on line D.

Deduct interest, taxes, and casualty losses not related to your business as itemized deductions on **Schedule A**.

Report sales, exchanges, and involuntary conversions (other than casualty or theft) of trade or business property on **Form 4797**.

Use **Form 4684**, Casualties and Thefts, to report a casualty or theft involving trade or business, or income-producing property.

You must pay social security self-employment tax on income from any trade or business unless you are specifically excepted. Please see **Schedule SE**.

For more details about business income and expenses, get **Publication 334**, Tax Guide for Small Business.

Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions, or for sales by you of $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other basis for resale. For more information, get **Publication 916**, Information Returns.

If you receive cash of more than $10,000 in one or more related transactions in the course of your trade or business, you may have to file **Form 8300**.

Line A

Describe the business or professional activity that provided your principal source of income included on Schedule C, Part I, line 1a. Give the general field or activity and the type of product or service. If your general field or activity is wholesale or retail trade, or services connected with production services (mining, construction, or manufacturing), then also give the type of customer or client. For example, "wholesale sale of hardware to retailers" or "appraisal of real estate for lending institutions."

Line B

Enter on this line the 4 digit code that identifies your principal business or professional activity. See Part IV on page 2 of Schedule C for the list of codes.

Locate the major business category that best describes your type of business or professional activity. Within the major category, select the activity code that identifies the business or profession that is the principal source of your sales or receipts. If no code applies, select the one that most closely identifies your activity.

Line C

Use your home address only if you actually conducted the business from your home. You should show a street address instead of a box number.

Line D

You don't need an employer ID number unless you had a Keogh plan or were required to file an employment, excise, fiduciary, or alcohol, tobacco, and firearms tax return.

Line E

Your inventories can be valued at

- cost,
- cost or market value, whichever is lower, or
- any other method approved by the Commissioner of Internal Revenue.

Line F

You must use the cash method on your return unless you kept account books. If you kept such books, you can use the cash method or the accrual method. Effective for contracts entered into after February 28, 1986, special rules apply for accounting for long-term contracts. See Internal Revenue Code section 460 for details. The method used must clearly reflect your income.

To change your accounting method (including the treatment of any item such as inventories or bad debts), you must usually first get the permission of the Internal Revenue Service. In general, file **Form 3115** (1987 revision) within the first 180 days of the tax year in which you want to make the change.

If you use the **cash method**, show all items of taxable income actually or constructively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use.

If you use the **accrual method**, report income when you earn it and deduct expenses when you incur them, even if you do not pay them during the tax year.

Accrual-basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules also apply that determine the timing of deductions based on economic performance. See Publication 538.

Line H

Within certain limits, you may deduct business expenses that apply to a part of your home **only** if that part is exclusively used on a regular basis

1. as your principal place of business for any of your trades or businesses, or
2. as a place of business used by your patients, clients, or customers to meet or deal with you in the normal course of your trade or business, or
3. in connection with your trade or business if it is a separate structure that is not attached to your home.

You may also deduct expenses that apply to space within your home if it is the **only** fixed location of your trade or business. The space must be used on a regular basis to store inventory held for use in your trade or business of selling products at retail or wholesale.

If you use space in your home on a regular basis in your trade or business of providing day care service, you may be able to deduct the business expenses even though you also use the same space for nonbusiness purposes.

Beginning in 1987, your deduction for the business use of your home is further limited to your gross income from the business use minus the sum of the business portion of your mortgage interest, real estate taxes, and casualty losses, plus your other business expenses that are not related to the business use of your home. Generally, any amount you cannot deduct for 1987 because of this limitation may be taken into account for 1988. Get **Publication 587** for details. Also get **Publication 545** to determine how much interest you may deduct.

Line J

Beginning in 1987, generally, you can deduct losses from passive activities only to the extent of income from passive activities. However, the new law provides exceptions for certain activities and it also contains phase-in rules for some losses. A passive activity generally is any activity involving the conduct of a trade or business in which you DO NOT materially participate. You are considered to materially participate in an activity if you are involved on a regular, continuous, and substantial basis in the

operation of the activity. Check the "Yes" or "No" box, whichever applies, to indicate whether you materially participated in the activity. **Exception:** The passive loss rules do not apply to oil and gas activities in which you have a working interest, that is, your liability is not limited. In this case, check "Yes" to Question J, even if you did not materially participate. For more details on passive activities, see **Passive Activity Losses** in the Schedule E instructions on page 28.

If you did not materially participate in the operation of your business and you claim a loss for this business, you must complete **Form 8582**, Passive Activity Loss Limitations, to figure your allowable loss to enter on Schedule C, line 31.

Line M

Tax Shelter. If you are claiming or reporting any deduction, loss, credit, other tax benefit, or income on Schedule C from an interest purchased or otherwise acquired in a tax shelter required to be registered, you must check the box on line M, and you must file **Form 8271**, Investor Reporting of Tax Shelter Registration Number.

Part I

Income (Lines 1a through 5)

Line 1a

Enter gross receipts or sales from your business. Be sure to include on this line amounts you received in your trade or business as shown on **Form(s) 1099-MISC**.

Installment Sales. Beginning in 1987, generally the installment method may no longer be used to report the sale of personal property under a revolving credit plan.

Also, special rules now apply if you sell under the installment method: (1) real property held for resale to customers, or (2) personal property that you regularly sell under the installment method as a dealer.

Under the new rules, part of the outstanding debt owed to you on an installment sale may be treated as a payment to you during the year, even though no payment was actually made. This "deemed payment" should be added to amounts you actually collected on the debt in figuring the amount to report as income under the installment method.

If you use the installment method, attach a schedule showing separately for 1987 and the three preceding years: gross sales, cost of goods sold, gross profit, percentage of gross profits to gross sales, amounts collected, and gross profits on amounts collected.

Line 1b

You should enter on line 1b such items as returned sales, rebates, and allowances from the sales price.

Line 4

In certain situations, you must report as income on line 4 the amount of any credit or refund of overpaid windfall profit tax you received in 1987 for tax year 1986, based on overwithholding or the net income limitation. In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1986 on Schedule C, and received a tax benefit for the deduction on your 1986 tax return. Get the instructions for **Form 6249**, Computation of Overpaid Windfall Profit Tax, for details.

Also report on line 4 finance reserve income, scrap sales, amounts recovered from bad debts, interest (such as on notes and accounts receivable), the amount of credit for Federal tax on gasoline or other fuels claimed on your 1986 Form 1040, and other kinds of miscellaneous income from the business or profession.

If you have listed property that you placed in service after June 18, 1984, and the business use percentage decreased to 50% or less in 1987, report on this line any recapture of excess depreciation, including the section 179 expense deduction. Use **Form 4797** to figure the recapture.

Part II

Deductions (Lines 6 through 29)

Capitalizing costs of property. Beginning in 1987, if you produced real or tangible personal property or acquired property for resale, certain expenses attributable to the property must be included in inventory costs or capitalized. In addition to direct costs, producers of inventory property must also include a portion of certain indirect costs in their inventory. Purchasers of personal property acquired for resale must include a portion of certain indirect costs in inventory only if the average annual gross receipts for the 3 prior tax years exceeds $10 million. Also, a portion of the indirect costs that benefit real or tangible personal property constructed for use in a trade or business, or noninventory property produced for sale to customers, must also be capitalized. For more details, see **Publication 538**, Accounting Periods and Methods.

Line 7

Caution: Cash method taxpayers are not entitled to a bad debt deduction unless the amount was previously included in income.

Include debts and partial debts arising from sales or services that were included in income and are definitely known to be worthless.

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it. The reserve method of computing bad debts has been repealed for tax years beginning after 1986. If you maintained a reserve for 1986, you must change to the specific charge-off method for 1987. Also, starting in 1987, you must include the balance remaining in the reserve account as income ratably over a four year period. For more information, get **Publication 548**, Deduction for Bad Debts.

Line 9

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You **must** use actual costs if you use more than one vehicle in your business. If you deduct actual costs, show depreciation on line 12.

***Note:** If you claim any car expenses (actual costs or the standard mileage rate), you must complete Part III of **Form 4562**, Depreciation and Amortization.*

The standard mileage rate is figured at 22½ cents a mile up to 15,000 miles, and 11 cents for each mile after that. Add to this amount your parking fees and tolls.

For cars and trucks that have been fully depreciated, the rate is 11 cents a mile.

If you use the standard rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate. For details, get **Publication 917**, Business Use of a Car.

***Note:** If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway use tax on these vehicles. Get **Form 2290**, Heavy Vehicle Use Tax Return, to see if you are subject to the tax.*

Line 11

Enter your total deduction for depletion on this line. If you claim a deduction for timber depletion, please attach **Form T**. Get **Publication 535** for details.

Line 12

You can deduct an amount each year for assets you buy to use in your business. The deduction for depreciation does not apply to stock in trade, inventories, land, and personal assets. You may also choose under section 179 to expense a portion of the cost of certain depreciable property you bought in 1987 for use in your business. Figure your depreciation deduction, including the section 179 expense deduction, on Form 4562.

The depreciation deduction for cars, including any section 179 deduction, is limited. For example, if you placed a car in service in 1987, your deduction is limited to $2,560. The allowable amounts are further limited if your business use is less than 100%. If you claim depreciation for any cars or other listed property, you must complete Part III of Form 4562. See the instructions for Form 4562 and **Publication 534**, for details.

If you have listed property (such as a car or light truck) that you placed in service after June 18, 1984, and the business use percentage of the property decreased to 50% or less during 1987, you may have to recapture excess depreciation, including any section 179 expense deduction. Get **Form 4797** and its instructions for details.

If you took an investment credit on property that you dispose of before the end of its class life or life years, the business use percentage decreases, or the use of the property otherwise changes so that it no longer qualifies, you may have to refigure the credit. Get **Form 4255**, Recapture of Investment Credit, for details.

Line 14

Enter the amount of your contributions that are not an incidental part of a pension or profit-sharing plan included on line 21. Also include here contributions to insurance, health, and welfare programs.

Lines 17a and 17b

Interest allocation rules. The tax treatment of interest expense differs depending on its type (for example, personal interest, home mortgage interest, and investment interest). Beginning in 1987, new "interest allocation" rules apply that require you to allocate (classify) your interest expense so that it is deducted on the proper place of your tax return and receives the proper tax treatment. These rules could affect how much interest you deduct on Schedule C.

Generally, you allocate your interest expense by tracing how the proceeds of the loan are used. See **Publications 535** and **545** for more detailed information, including special transitional rules that may require you to attach statements to your tax return.

If you paid interest on a debt secured by your principal home, and any of the proceeds from that debt were used in connection with your trade or business, you may have to complete **Form 8598**, Home Mortgage Interest, to figure the interest that is deductible on Schedules A and C However, you may elect to treat that debt as not secured by your principal home See Publication 545 for details.

If you paid interest that applies to future years, deduct for 1987 only the part that applies to 1987

If you have a mortgage on real property used in your business (other than your principal residence), enter on line 17a the interest you paid for 1987 to financial institutions If you paid $600 or more of interest on this mortgage, you should receive a **Form 1098**, Mortgage Interest Statement, or similar statement, showing the total interest received from you during 1987 You should receive this statement by February 1, 1988 If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098 In the left margin, next to line 17a, write "see attached."

If you paid more mortgage interest than is shown on Form 1098, or similar statement, get Publication 545 to see if you can deduct the additional interest. If you can, attach a statement to your return explaining the difference and write "see attached" in the left margin next to line 17a

Do not deduct interest you paid or accrued on debts allocable to investment property This interest is generally deducted on **Schedule A**. For details, get **Publication 550**, Investment Income and Expenses

Line 21

You should enter the amount you claim as a deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self-employed person, you should enter contributions made as an employer on your behalf (but not voluntary contributions you made as an employee) on Form 1040, line 26, not on Schedule C

Generally, you are required to file one of the following forms if you maintain a pension, profit-sharing, or other funded-deferred compensation plan, whether or not it qualified under the Internal Revenue Code and whether or not you claim a deduction for the current tax year

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C, 5500-R, or 5500EZ.—Complete the applicable form for each plan with less than 100 participants

There is a penalty for failure to timely file these forms.

For more information, get **Publication 560**, Self-Employed Retirement Plans

Line 23

You can deduct the cost of repairs including labor, supplies, and other items that do not add to the value or increase the life of the property Do not deduct the value of your own labor. And do not deduct amounts you spent to restore or replace property They are chargeable to capital accounts or to the depreciation reserve, depending on how depreciation is charged on your books

Line 25

You can deduct the following taxes.

- Real estate and personal property taxes on business assets
- Social security taxes you paid to match what you were required to withhold from your employees' wages and any Federal unemployment tax paid
- If you hold an operating oil, gas, or mineral interest, and you are a cash method taxpayer, deduct on line 25 the amount of windfall profit tax actually withheld in 1987 **Form 6248** shows the amount of windfall profit tax actually withheld in 1987.
- Federal highway use tax

Do not deduct:

- Federal income taxes
- Estate and gift taxes
- Taxes assessed to pay for improvements, such as paving and sewers
- Taxes on your home or personal property
- State and local sales taxes (these taxes are treated as part of the cost of the property).
- Other taxes not related to your business

Lines 26a through 26d

Beginning in 1987, you may deduct only 80% of your business-related meal and entertainment expenses, including meals incurred while traveling away from home on business. This rule also applies to meal and entertainment expenses for which you reimburse your employees, but only if you do not treat the reimbursement as wages subject to withholding

Under new rules, business meal expenses are deductible only if they are (1) directly related to or associated with the active conduct of your trade or business (2) not lavish or extravagant, and (3) incurred while you or your employee is present at the meal.

There are exceptions to these rules as well as other new rules that apply to sky-box rentals, tickets to entertainment events, and luxury water travel For more information, see **Publication 463**.

You cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for any activity that is usually considered entertainment, amusement, or recreation

***Note:** You may be able to deduct the expense if the amount is treated as compensation and reported on **Form W-2** for an employee or **Form 1099-MISC** for an independent contractor. (See Publication 463 for more details.)*

Foreign Conventions. Generally, you cannot deduct expenses for attending a foreign convention unless it is directly related to your trade or business and it is as reasonable for the meeting to be held outside the North American area or Jamaica as within it These rules apply to employers as well as to employees See Publication 463 for more details

Line 26c. Enter 20% of the meal and entertainment expenses shown on line 26b that are subject to the 80% limit

Lines 28a and 28b

Enter on line 28a the total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year. Do not include any amount paid to yourself.

***Caution:** If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses that you claimed elsewhere.*

Enter on line 28b the jobs credit from **Form 5884**, Jobs Credit.

Line 29

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal living and family expenses List the type and amount of each expense separately Enter one total in the line 29 entry space.

Any loss from this activity that was not allowed as a deduction last year because of the at-risk provisions is treated as a deduction allocable to this activity in 1987

Amortization. Use **Form 4562** to figure your amortization deduction Include on line 29 of Schedule C the amount from Form 4562, Part II.

You may amortize

- The cost of pollution-control facilities
- The costs to rehabilitate qualified low-income housing if the rehabilitation began before 1987 For rehabilitation that began after 1986, the amortization deduction has been replaced by a new tax credit Get **Publication 535** and **Form 8586**, Low-Income Housing Credit, for more details Also, see **Publication 925** for information on the passive activity loss rules as they apply to low-income housing
- Amounts paid for research and experiments
- Amounts paid before 1987 for trademarks and trade names
- Certain business startup costs

- Qualified forestation and reforestation costs

You can deduct up to $35,000 of the costs you paid or incurred in 1987 to remove architectural or transportation barriers to the handicapped and the elderly. See Publication 535 for more details

If you lease business property, you may depreciate your leasehold improvement costs See Publication 535 for details

In general, for costs incurred after 1986, you may no longer amortize real property construction period interest and taxes Special rules apply for allocating interest to real or personal property produced in your trade or business See Publication 535

Line 31

If you have a loss, the amount of loss you can deduct this year may be limited Go on to line 32 before entering your loss on line 31 If you answered "No" to Question J on Schedule C, also see **Form 8582**, Passive Activity Loss Limitations Enter the net profit or **deductible** loss here and combine this amount with the profit or (loss) from your other businesses, if any Enter the total on Form 1040, line 13, and Schedule SE, Part I, line 2 (or Form 1041, line 5, or Form 1041S, line 5)

Line 32

Deductions for losses by persons who are engaged in a trade or business or an activity for the production of income, including the holding of real property (other than mineral property), are limited to the amount they have at risk in the business

If you have (1) a loss from any activity that you engaged in as a trade or business or for the production of income, including the holding of real property (other than mineral property) placed in service after December 31, 1986, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198**, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss

Answer the question on line 32 "**YES**" if you have amounts for which you are not at risk for this business, such as the following

1. nonrecourse loans used to finance your business, to acquire property used in your business, or to acquire your interest in the business, unless they are secured by property not used in your business or by real property used in an activity of holding real property,

2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement; or

3. loans from someone who has an interest in your business, other than as a creditor, or who is related, under section 465(b)(3)(C), to a person (other than yourself) having such an interest; or

4. amounts contributed to your business, or to your interest in the business that is covered by.

- nonrecourse loans or protected against loss by a guarantee, stop-loss agreement, or similar arrangement, or
- loans from a person described in 3 above

If you do not have any of these kinds of amounts for which you are not at risk in this business, answer the question "**NO**" and enter your loss on line 31 unless you answered "No" to Question J. In this case, you must complete Form 8582 to figure your allowable loss to enter on line 31

If you answered "**YES**" to the question on line 32, get Form 6198 to determine the amount of your deductible loss and enter that amount on line 31 unless you answered "No" to Question J and your loss is further limited on Form 8582. If your at-risk amount is zero or less, enter zero on line 31. Be sure to attach Form 6198 to your return If you answer "Yes" to the question on line 32 and you fail to attach Form 6198, processing of your tax return may be delayed.

If, in addition to the amount that you report on Schedule C, you dispose of an asset used in an activity to which the at-risk rules apply and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198 Any loss from this business not allowed for 1987 because of the at-risk rules is treated as a deduction allocable to the business in 1988 For more details, get **Publication 925**.

Part III

Cost of Goods Sold and/or Operations

Beginning in 1987, certain expenses must be capitalized or included in inventory See the instructions for Part II on page 32

Cost of Goods Sold. If you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year

Cost of Operations (Inventories Not an Income-Producing Factor) If the amount on line 2, Part I, includes the cost of operations, complete lines 1 through 8 of Part III as appropriate

Instructions for Schedule SE

Social Security Self-Employment Tax

Purpose of Schedule

Schedule SE is used by self-employed persons and employees of electing churches and qualified church-controlled organizations to figure any self-employment tax due The Social Security Administration uses the information provided on Schedule SE to figure benefits for self-employed people under the social security program. Social security self-employment tax applies regardless of your age, and even if you are receiving social security benefits

Who Must Use Schedule SE

You must use Schedule SE if

- you were self-employed and your net earnings from self-employment were $400 or more ($100 or more if you were an employee of an electing church or church-controlled organization); and
- you did not have wages (including tips), other than medicare qualified government wages of $43,800 or more that were subject to social security tax or railroad retirement tax

Who Can Use Schedule SE

You can use Schedule SE if you will benefit from using the optional method of figuring self-employment earnings

The optional method may benefit you if

- your self-employment earnings are less than $400 and Form 1040, line 31, is less than $1,5,432 and you want to claim the earned income credit, or
- you had a loss from self-employment and you need to increase your net earnings from self-employment to qualify to claim the child and dependent care credit

The optional method may g ve you credit toward your social security coverage even though you have a loss or low income from self-employment However, the optional method may require you to pay self-employment tax when none would otherwise be required

Fiscal Year Filers

If your tax year is a fiscal year, you must use the tax rate and earnings base that apply at the time the fiscal year begins. The tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change is not prorated

More Than One Business

If you farmed and had at least one other trade or business or had two or more trades or businesses, your net earnings from self-employment are the combined net earnings from all your businesses If you had a loss in one trade or business, it reduces the income from another. Figure the combined self-employment tax on Schedule SE.

Joint Returns

Show the name of the spouse with self-employment income on Schedule SE If both spouses have self-employment income, each must file a separate Schedule SE. Include the total profits or losses from all businesses on Form 1040, as appropriate Then enter the combined self-employment tax on Form 1040, line 48

Community Income

If any of the income from a business, including farming, is community income, all the income from that business is considered self-employment earnings of the spouse who carried on the trade or business unless there is a husband and wife partnership. The identity of the spouse who carried on the trade or business is determined by the facts in each situation.

If you and your spouse file separate returns, attach Schedule SE to the return of the spouse with the self-employment income Also attach Schedule(s) C and/or Schedule(s) F Community income included on these schedules must be divided, for income tax purposes, on the basis of the community property laws

Partnerships

When figuring your combined net earnings from self-employment, include your share of partnership income or loss attributable to a trade or business and any guaranteed payments for personal services you received from your partnership However, if you are a limited partner, only guaranteed payments

are included in self-employment income Line 14a of Schedule K-1 (Form 1065) should show your net earnings or loss from self-employment

If your partnership is engaged solely in the operation of a group investment program, earnings from the operation are not self-employment earnings for either the general or limited partner

If a husband and wife are both partners in a partnership, each spouse is subject to self-employment tax on his or her own share of partnership income. Each spouse must file a Schedule SE for self-employment tax purposes and report the partnership income or loss on Schedule E (Form 1040), Part II, for income tax purposes

Self-employment income belongs to the person who is the member of the partnership and cannot be treated as self-employment income by the nonmember spouse. This applies even in community property states

If a partner in a continuing partnership dies, that member's distributive share of partnership ordinary income or loss for the year must be included in the partner's net earnings from self-employment. Get **Publication 533**, Self-Employment Tax, if your partnership has a fiscal year

Share-Farming

If you produced crops or livestock on land belonging to another for a share of the crops or livestock produced, or the proceeds from them, you are an independent contractor and a self-employed person rather than an employee. Report your net earnings for income tax on Schedule F and for self-employment tax on Schedule SE. For more information, get **Publication 225**, Farmer's Tax Guide

Exemption From Self-Employment Tax for Members of the Clergy and Certain Religious Orders and Sects

Income you received as a duly ordained, commissioned, or licensed minister of a church, a member of a religious order (but only if you are not under a vow of poverty), or a Christian Science practitioner is subject to social security self-employment tax unless you filed **Form 4361** and received IRS approval to exempt your ministerial earnings. If you have received IRS approval and have no other income subject to self-employment tax, write "Exempt — Form 4361" on Form 1040, line 48. If you filed Form 4361 but have $400 or more from other earnings subject to self-employment tax, you must complete Schedule SE.

Note: *The Tax Reform Act of 1986 provides a limited period in which to make an irrevocable election back into social security coverage. If you previously filed Form 4361 and received approval for exemption and now wish to elect back into coverage, file* ***Form 2031,*** *Waiver Certificate for Use by Ministers, Certain Members of Religious Orders, and Christian Science Practitioners Electing Coverage Under the Social Security Act.*

If you have ever filed Form 2031 to elect social security coverage, you cannot apply for exemption now.

If you have conscientious objections to social security insurance because of your belief in the teachings of a recognized religious sect of which you are a member, you can request exemption from self-employment tax by filing **Form 4029**. If you filed Form 4029 and have received IRS approval, do not file Schedule SE. Instead, write "Exempt — Form 4029" on Form 1040, line 48.

Coverage for Overseas Missionaries

If you are a U.S. citizen and a minister (except a Christian Science practitioner) or a member of a religious order serving outside the United States, you may figure earnings from self-employment as if you were serving in the United States (provided you have not elected exemption from coverage). For more information, get **Publication 517**, Social Security for Members of the Clergy and Religious Workers.

Employees of Churches and Qualified Church-Controlled Organizations

Note: *If you are a minister or member of a religious order, do not use the following instructions.*

If you were employed by a church or a qualified church-controlled organization that has in effect a certificate electing exemption from employer social security taxes, and you received wages of $100 or more from any one church or church-controlled organization, you may be subject to self-employment tax. See line C of Schedule SE. If you also have medicare qualified government wages, you must use the worksheet for line 12b.

Note: *Do not file Form 4029 with respect to wages you receive from a church or a church-controlled organization that has elected to treat its employees as self-employed.*

U.S. Citizens Employed by Foreign Governments or International Organizations

You are subject to the self-employment tax if you are a U.S. citizen employed in the United States, Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, or the Virgin Islands, by a foreign government, and in certain cases, by a wholly owned instrumentality of a foreign government or by an international organization organized under the International Organizations Immunities Act. Report income from this employment on Schedule SE, line 2. If you are employed by a foreign government or an international organization in a country other than those listed, you are not subject to self-employment tax.

Self-Employed U.S. Citizens or Resident Aliens Living Outside the United States

If you are a self-employed U.S. citizen or resident alien living outside the United States, you are generally subject to the self-employment tax. Your foreign earnings from self-employment may be reduced by the deduction for certain foreign housing costs. However, you may not reduce your foreign earnings from self-employment by your foreign earned income exclusion.

Specific Instructions

Name of Self-Employed Person. Enter the name and social security number of the self-employed person as it appears on that person's social security card.

Part I
Regular Computation of Net Earnings From Self-Employment

Generally, net earnings from self-employment is your net profit from a sole proprietorship operated by you and your distributions from a partnership. (See **Partnerships** on page 34 for when to include your share of partnership income or loss.) See the instructions below for income included or not included in net earnings from self-employment.

Lines 1 and 2.—Exclude from lines 1 and 2 any income or expense not included in figuring net earnings from self-employment and attach an explanation. If you are a partner, reduce lines 1 and 2 for any expense deduction for recovery property (section 179) claimed, oil or gas depletion, or unreimbursed partnership expenses.

If you deposited earnings into a capital construction fund established under the Merchant Marine Act of 1936, get **Publication 595**, Tax Guide for Commercial Fishermen, for more information.

If you are a duly ordained minister who is an employee of a church and you are subject to self-employment tax, the unreimbursed business expenses that you incurred in performing your services as an employee of the church are allowed only as an itemized deduction. They are deducted from your self-employment earnings in figuring your self-employment tax. However, special rules apply. For details, get Publication 517.

Income Not Included in Net Earnings From Self-Employment

- Salaries, fees, etc., subject to social security tax that you received for performing services as an employee, including services performed as a public official (except as a fee basis government employee as explained under **Other Income Included in Net Earnings From Self-Employment**) or as an employee or employee representative under the railroad retirement system.
- Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year.
- Real estate rentals, unless received in the course of a trade or business as a real estate dealer. These include cash and crop shares received from a tenant or sharefarmer. You should report these amounts on Schedule E, Part I.
- Dividends on shares of stock and interest on bonds, notes, etc., unless received in the course of your trade or business as a dealer in stocks or securities.
- Gain or loss from
  - a. the sale or exchange of a capital asset,
  - b. the sale, exchange, involuntary conversion, or other disposition of property unless the property is stock-in-trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business, or
  - c. certain transactions in timber, coal, or domestic iron ore.
- Net operating losses from other years.

Other Income Included in Net Earnings From Self-Employment

- Rental income from a farm if the rental arrangement provides for material participation by the landlord and, as landlord, you participated materially in the production or management of the production of farm products on this land. This income is farm earnings. (To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you.)
- Cash or a payment in kind received from the Department of Agriculture for participation in a land diversion program.
- Payments for the use of rooms or other space, such as rooms in hotels, boarding houses, tourist camps, or homes, when substantial services are also provided.
- Payments you received for space in parking lots, trailer parks, warehouses, or storage garages.
- Income you received from the retail sale of newspapers and magazines if you are 18 or over and kept the profits.
- Income you received as a crew member of a fishing vessel with a crew of normally less than 10 individuals. Get Publication 595 for more information.
- Fees you received for services performed as a state or local government employee provided you are compensated solely on a fee basis and the position is not covered under a Federal-State social security coverage agreement.
- Interest received in the course of any trade or business, such as interest on notes or accounts receivable.
- The rental value of a home or an allowance for a home furnished you if you are a minister or a member of a religious order.
- The value of meals and lodging provided to you for the convenience of your employer if you are a minister or member of a religious order.
- Director's fees and other payments received by a director of a corporation for services as a director.
- Recapture amounts under sections 179 and 280F that were included in gross income because the business use of the property used in your trade or business dropped to 50% or less. (Do not include amounts recaptured on the disposition of property.) See **Form 4797**, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions, for more information.
- Fiduciaries' fees received by professional fiduciaries. Also, nonprofessional fiduciaries if the fees relate to active participation in the operation of the estate's trade or business or the facts indicate the fiduciary manages an estate that requires extensive management activities over a long period of time.

Option and commodity dealers engaged in trading section 1256 contracts, see section 1402(i) to determine net earnings from self-employment.

Part II
Optional Method for Figuring Net Earnings From Farm Self-Employment

If your gross farm income for the year was not more than $2,400, you can report two-thirds of your gross farm income instead of your actual net earnings from farming.

If your gross farm income was more than $2,400, and your net farm profits were less than $1,600, you can report $1,600 on line 4.

This method can be used to increase or decrease net farm earnings, even if the farming operation resulted in a loss. There is no limit on how many times you can elect this optional method. If you use this method, you must apply it to all farm earnings from self-employment for the year. You may change the method (from actual net to optional net or the reverse) after you file your return.

For a farm partnership, your share of gross income is figured according to the partnership agreement. With guaranteed payments for personal services, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership. Limited partners should include only guaranteed payments.

Optional Method for Figuring Net Earnings From Nonfarm Self-Employment

You may be able to use an optional method to figure your net earnings from nonfarm self-employment if your net nonfarm profits are less than $1,600 and less than two-thirds of your gross nonfarm income.

You may use this optional method if you are regularly self-employed or regularly a member of a partnership. You meet this requirement if you had actual net earnings from self-employment of $400 or more (including your distributive share of the income or loss from any partnership of which you are a member) from nonfarm and farm businesses in at least 2 of the 3 years immediately before the year for which you use the nonfarm option.

You may report on line 6 two-thirds of your gross nonfarm income (but not more than $1,600) as your net earnings from self-employment, **but you may not report less than your actual net earnings from** nonfarm self-employment.

For a nonfarm partnership, your share of gross income is figured according to the partnership agreement. With guaranteed payments for personal services, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership. Limited partners should include only guaranteed payments.

The limit for the optional method for nonfarm self-employment is 5 years. The 5 years need not be consecutive.

Using Both Optional Methods

If you have both nonfarm and farm income, you may only use the nonfarm optional method if your actual net earnings from nonfarm self-employment are less than $1,600. In all combined cases, your net nonfarm profits must be less than two-thirds of your gross nonfarm income to use the nonfarm option. If you qualify to use both options, you may report less than actual total net earnings from farm and nonfarm income, but not less than actual net earnings from nonfarm self-employment alone.

If you use both options to figure net earnings from self-employment, your maximum combined total of net earnings from self-employment for any tax year cannot be more than $1,600.

Line 4

Enter the **smaller of:**

- two-thirds (⅔) of the total gross income from all Schedules F, line 12, and Schedules K-1 (Form 1065), line 14b, **or**
- $1,600.

Line 6

Enter the **smallest of:**

- $1,600, **or**
- two-thirds (⅔) of the total gross income from all Schedules C, line 5, plus your distributive share of gross income from all nonfarm partnerships, Schedules K-1 (Form 1065), line 14c, **or**
- the amount on line 5 if you also had farm income and elect the farm optional method.

Part III
Computation of Social Security Self-Employment Tax

Line 11a
Medicare Qualified Government Employment

If you are a Federal, state, or local government employee and your wages are subject **ONLY** to the 1.45% medicare (hospital insurance benefits) tax, do **NOT** include this pay as social security wages on Schedule SE, line 11a. Social security wages entered on line 11a are wages subject to the old-age, survivors, and disability insurance tax in addition to the medicare tax.

Note: *Also see the instructions for Form 1040, line 60, to see if you should file* ***Form 4469,*** *Computation of Excess Medicare Tax Credit.*

Figure your self-employment tax using the rate below line 13 if you do not have to use the worksheet below. Do not reduce the rate by the medicare tax rate.

If your pay is subject **ONLY** to the 1.45% medicare tax and your combined wages and self-employment earnings (lines 7, 8, 11c, 12b, and 12c of Schedule SE) are in excess of $43,800, skip line 13 and complete the worksheet below. Medicare qualified government wages are your Federal, state, or local government wages that are subject **ONLY** to the 1.45% medicare tax.

Worksheet—Line 12b (Keep for your records)

1. Enter total of lines 7, 8, and 12c from Schedule SE	1. _____
2. Enter line 12a from Schedule SE	2. _____
3. Enter your medicare qualified government wages here and on line 12b of Schedule SE	3. _____
4. Subtract line 3 from line 2. (If zero or less, enter -0-.)	4. _____
5. Multiply the smaller of line 1 or line 2 by .0981	5. _____
6. Multiply the smaller of line 1 or line 4 by .0249	6. _____
7. Add lines 5 and 6. Enter on line 14 of Schedule SE and on Form 1040, line 48	7. _____

Instructions for Schedule F Farm Income and Expenses

Changes You Should Note

The Tax Reform Act of 1986 made a number of changes that may affect your 1987 return. Some of the changes include new rules for

- Self-employed health insurance costs. See page 2
- Passive activity losses. Beginning in 1987, your losses from passive activities are generally limited. See instructions for new line F
- Capitalization costs of property See instructions for new line G
- Discharge of indebtedness. See the instructions for line 11
- Prepaid expenses of cash basis taxpayers. See the instructions for Part II
- Conservation expenses See the instructions for line 15
- Interest expense allocation. See the instructions for lines 23a and 23b.
- Travel, meal, and entertainment expenses See page 2

For more information on these and other changes, get **Publication 225**, Farmer's Tax Guide.

Purpose of Schedule

Use Schedule F to report farm income and expenses if you file Forms 1040, 1041, 1041S, or 1065 Please get Publication 225 for additional information It has samples of filled-in forms and schedules, and lists important dates that apply to farmers You may also want to get **Publication 534**, Depreciation.

Filers of Forms 1041, 1041S, and 1065. Do not complete the block labeled "Social security number (SSN)"; however, be sure to complete the block labeled "Employer ID number (Not SSN) "

If you were required to make estimated tax payments in 1987 and you underpaid your estimated tax, you may be charged a penalty However, you will not be charged a penalty if you meet the following tests.

1. your gross farming or fishing income for 1986 or 1987 is at least two-thirds of your gross income, and
2. you file your 1987 tax return and pay the tax due by March 1, 1988

For more details, see Publication 225.

Do not report the following income on Schedule F

- Rent you received that was based on farm production or crop shares if you did not materially participate in the operation or management of the farm. Report this income on **Form 4835** and **Schedule E (Form 1040).** It is not subject to self-employment tax For more details, see Publication 225.
- Rent from your pasture land that is based on a flat charge. Report this income in Part I of Schedule E. However, report on line 11 of Schedule F pasture income received from taking care of someone else's livestock
- Sales, exchanges, or involuntary conversions (other than casualties or thefts) of certain trade or business property Report this income on **Form 4797.**
- Sales of livestock held for draft, breeding, sport, or dairy purposes Report this income on Form 4797

Use **Form 4684**, Casualties and Thefts, to report a casualty or theft involving farm business property, including livestock held for draft, breeding, sport, or dairy purposes

Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, annuities, and pensions, or for sales by you of $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other basis for resale For more information, get **Publication 916**, Information Returns

In addition, if you receive cash of more than $10,000 in one or more related transactions in the course of your farming business, you may have to file **Form 8300.**

Lines A and B

On line A, enter your principal crop or service for the current year

On line B, enter one of the fifteen major agricultural activity codes listed in Part IV on page 2 of Schedule F The code you select should represent the major farm activity from which you derive the largest amount of your income **Field crop** pertains to the production of grains, such as wheat, rice, feed corn, soybeans, barley, rye, and lentils; and nongrains such as cotton, tobacco, sugar, and Irish potatoes **Animal specialty** includes the raising of pets, laboratory animals, such as dogs, cats, bees, and snakes.

Line C

Under the **cash method**, you include all of your income in the year you actually get it Generally, you deduct your expenses when you pay them If you use the cash method, check the box labeled "cash" and complete Parts I and II of Schedule F

Under the **accrual method**, you include your income in the year you earn it It does not matter when you get it You deduct your expenses when you incur them If you use the accrual method, check the box labeled "accrual" and complete Parts II and III of Schedule F

Other rules also apply that determine the timing of deductions based on economic performance Get **Publication 538**, Accounting Periods and Methods, for details

Line D

You need an employer ID number only if you had a Keogh plan, or you were required to file an employment, excise, fiduciary, partnership, or alcohol, tobacco, or firearms tax return.

Line E

If you made an election to include Commodity Credit Corporation loan proceeds as income in the year you received the proceeds rather than reporting as income the proceeds from the sale of the commodities in the year sold or in the year of forfeiture, and you reported these loan proceeds as income in a prior year, check the box on line **E** For information on how to make this election, see the instructions for line 8

Line F

Beginning in 1987, generally you can deduct losses from passive activities only to the extent of income from passive activities However, the new law provides exceptions for certain activities and it also contains phase-in rules for some losses A passive activity generally is any activity involving the conduct of a trade or business in which you **DO NOT** "materially participate " You are considered to materially participate in an activity if you are involved on a regular, continuous, and substantial basis in the operation of the activity

Note: *If you are a retired or disabled farmer, you are treated as materially participating in a farming business if you materially participated 5 of the 8 years preceding your retirement or disability Also, a surviving spouse is treated as materially participating in a farming activity if the real property used in the activity meets the estate tax rules for special valuation of farm property passed from a qualifying decedent, and the surviving spouse actively manages the farm*

For more details on passive activities, see **Passive Activity Losses** in the Schedule E instructions on page 28

If you did not materially participate in the operation of your farming business, check the "No" box on line F If you check "No" and you claim a loss for this business, you must complete **Form 8582**, Passive Activity Loss Limitations, to figure the amount of your allowable loss to enter on Schedule F, line 37

Line G

Beginning in 1987, uniform capitalization rules apply if you produce real or tangible personal property or acquire property for resale Under these rules, certain expenses must be included in inventory costs or capitalized These expenses include the direct costs of the property and the share of any indirect costs that are allocable to that property However, this rule generally does NOT apply to any plant or animal that is produced in your farming business and that has a preproductive period of 2 years or less Also, these rules generally do not apply to expenses of replanting certain crops if they were lost or damaged by reason of disease, drought, or other casualty

Even if the preproductive period of the plant or animal you produce is more than 2 years, you may elect not to have the capitalization rules apply However, you may not make this election for the costs of planting or growing citrus or almond groves

that are incurred before the close of the fourth tax year beginning with the tax year you plant them in their permanent grove.

Note: *This election may not be made by tax shelters, farm syndicates, or partnerships required to use the accrual method of accounting under Internal Revenue Code section 447 Also, this election cannot be made for the planting, cultivating, maintenance, or development of pistachio trees.*

If you elect to currently deduct your preproductive period expenses, you will have to recapture these costs as ordinary income when you dispose of this property, and the alternative depreciation rules apply to property placed in service in any tax year in which your election is in effect You must make this election in the first tax year after 1986 during which you engage in a farming business You may not revoke this election without the consent of the Internal Revenue Service. For more information, see Publication 225

If you are electing not to capitalize the preproductive period expenses, check the "Yes" box on line G.

Part I

Farm Income—Cash Method

In Part I show the income you received for the items listed on lines 1 through 11 Count both the cash you actually or constructively received and the fair market value of goods or other property you received for these items

Income is constructively received when it is credited to your account or set aside for you to use.

If you ran the farm yourself and received rents based on farm production or crop shares, report these rents as income on line 4

Sales of Livestock Because of Drought. If you sold livestock because of a drought, you can choose to count the income from the sale in the year after the drought, instead of the year of the sale You can do this **IF:**

- your main business is farming, **AND**
- you can show that you sold the livestock only because of the drought, **AND**
- your area qualified for Federal aid

Lines 1 and 2

On line 1, show the amount you received from sales of livestock and other items you bought for resale. On line 2, show the cost or other basis of the livestock and other items you actually sold

Line 4

Show the amount you got from the sale of livestock, produce, grains, and other products you raised.

Lines 5a and 5b

If you received distributions from a cooperative in 1987, you should receive **Form 1099-PATR**, Statement for Recipients (Patrons) of Taxable Distributions Received From Cooperatives. On line 5a show your total distributions from cooperatives. This includes patronage dividends, nonpatronage dividends, per-unit retain allocations, and redemption of nonqualified notices and per-unit retain allocations

Show patronage dividends you received in cash, and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income Include cash advances you received from a marketing cooperative. If you get per-unit retains in cash, show the amount of cash. If you get qualified per-unit retain certificates, show the stated dollar amount of the certificate

You do not have to include as income patronage dividends from buying personal or family items, capital assets, or depreciable assets you use in your business

Enter these amounts on line 5b If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items

Lines 7a and 7b

Enter on line 7a cash you got as price support payments, diversion payments, and cost-share payments (sight drafts)

On line 7b, show the amounts the Department of Agriculture paid for materials, such as fertilizer or lime, or services, such as grading or constructing dams

Line 8

Generally, you report income from a crop in the year you sell it However, if you pledge part or all of your production to secure a Commodity Credit Corporation loan, you may elect to report the loan proceeds as income in the year you receive them rather than reporting the income in the year of sale If you make this election for loan proceeds received in 1987, report them on line 8 and attach a statement to your return showing the details of the loan

If you receive a commodity credit loan and forfeit it in the same year, you must report the loan proceeds as income in the year received If you forfeit the loan in a subsequent year and you did not elect to report the loan proceeds as income in the year received, you must report the loan proceeds in the year of forfeiture

If you elected to report loan proceeds as income in the year received and 1987 is the year of sale or the year of forfeiture, check the box on line E.

For additional information on commodity credit loans, see Publication 225.

Line 9

In general, you must report crop insurance proceeds in the year you receive them However, you may choose to include crop insurance proceeds (and certain disaster payments) in income in the tax year after the year of damage If you make this election, you must attach a statement to your return for the year the damage took place. See Publication 225 for information on what you must include in your statement.

If you received crop insurance proceeds in 1987 and you elect to include these proceeds in income in the year following the damage, check the box on line 9

Line 10

Enter on this line the income you received for machine work (custom hire)

Line 11

Use this line to report income other than that shown on lines 1 through 10 For example, include the following income items on line 11

- Barter income
- Income from discharge of indebtedness Generally, if a debt is cancelled or forgiven, you must include the cancelled debt in income However, the new law allows certain solvent farmers to exclude from income discharged qualified farm indebtedness. For information on whether you must include in income any discharge of indebtedness, see Publication 225
- State gasoline tax refund you got in 1987
- The amount of credit for Federal tax on gasoline or other fuel claimed on your 1986 Form 1040.
- The amount of credit for alcohol used as a fuel that was entered on **Form 6478.**

Report the sale of commodity futures contracts on this line if they were made to protect you from price changes. These are a form of business insurance and are considered hedges. Enter any profit on line 11 If you had a loss in a closed futures contract, show it as a minus amount

Caution: *For property acquired and hedging positions established, you must clearly identify on your books and records that the transaction was a hedging transaction*

Purchase or sales contracts are not true hedges if they offset losses that already happened. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line Report the gain or loss on **Form 6781.**

Part II

Farm Deductions

Do not deduct.

- Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income
- Expenses of raising anything you or your family used
- The value of animals you raised that died
- Loss of inventory
- Personal losses

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

Note: *New rules apply that require certain costs to be capitalized if you produced real or tangible personal property, or acquired property held for resale Special rules apply to the capitalization of interest and certain farm costs See the instructions for line G for more details*

Prepaid farming expenses. Generally, if you use the cash method of accounting, your expenses for feed, seed, fertilizer, other farm supplies, and the cost of poultry are deductible only in the year in which you actually use them The cost of poultry bought for use in the business must be spread over the lesser of 12 months or the useful life of the poultry The cost of poultry bought for resale is deductible in the year in which the poultry is sold or otherwise disposed of. If you use the cash method, this rule applies if your prepaid expenses

are more than 50% of your other deductible farming expenses For an exception to this rule and additional information on prepaid expenses, see Publication 225

Farming syndicates. A farming syndicate may be a partnership, any other noncorporate group, or an S corporation. If:

a. the interests in the business have ever been for sale in a way that would require registration with any Federal or state agency, or

b. more than 35% of the loss during any tax year is spread between limited partners or limited entrepreneurs. (A limited partner is one who can lose only the amount invested in the partnership; a limited entrepreneur is a person who does not take any active part in managing the business.)

If you are a farming syndicate, you cannot use the cash method of accounting

Line 15

Beginning in 1987, you can deduct what you spent to conserve soil or water, or to prevent erosion of your land only if the expenses are consistent with a conservation plan approved by the Soil Conservation Service (SCS) of the Department of Agriculture for the area in which your land is located If no plan exists, the expenses must be consistent with a plan of a comparable state agency You must attach **Form 8645,** Soil and Water Conservation Plan Certification, to your return if you claim this deduction

Also, beginning in 1987, any expenses you pay or incur to drain or fill wetlands or to prepare land for center pivot irrigation systems are no longer deductible

Do not deduct more than 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land) If your conservation expenses are more than the limit, you can carry the excess over to following years

Line 16

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature

Do not deduct depreciation on your home, furniture, or other personal items, land, livestock you bought or raised for resale, or other property in your inventory

You may also choose under section 179 to expense a portion of the cost of certain depreciable property you bought in 1987 for use in your business Figure your depreciation deduction, including the section 179 expense deduction, on **Form 4562,** Depreciation and Amortization Enter on line 16 of Schedule F the amount from Form 4562, Part I

The depreciation deduction for cars, including any section 179 deduction, is limited For example, if you placed a car in service in 1987, your deduction is limited to $2,560 The allowable amounts are further limited if your business use is less than 100% In general, for cars or other "listed property," you may not take a section 179 deduction if the property is used 50% or less in your trade or business If you claim depreciation for any listed property, you must complete Part III of Form 4562 See the instructions for Form 4562 and **Publication 534,** Depreciation, for details

If you have listed property (such as a car or light truck) that you placed in service after June 18, 1984, for which you claimed a depreciation deduction, and the business use percentage of the property decreased to 50% or less during 1987, you may have to recapture excess depreciation, including any section 179 expense deduction. Get **Form 4797** and its instructions for details

If you took an investment credit on property that you dispose of before the end of its class life or life years, the business use percentage decreases, or the use of the property otherwise changes so that it no longer qualifies, you may have to refigure the credit Get **Form 4255,** Recapture of Investment Credit, for details

Line 17

Enter any amounts you paid to programs for your employees that are not a part of the plans on line 26 Examples are insurance, health, and welfare programs Do not include here amounts paid for yourself or your family

Line 18

Generally, you cannot currently deduct expenses for feed to be consumed by your livestock in a later tax year See **Prepaid farming expenses,** earlier

Line 20

Do not include as freight paid the cost of transportation incurred in purchasing livestock held for resale Instead, add these costs to the cost of the livestock, and deduct them when the livestock are sold

Line 22

Enter only the amount of premiums for fire, storm, crop, and theft insurance for this year for your farm business assets Do not include insurance on personal assets, or medical, health, or disability insurance on yourself or your family

Lines 23a and 23b

Interest allocation rules The tax treatment of interest expense differs depending on its type (for example, personal interest, home mortgage interest, and investment interest) Beginning in 1987, new "interest allocation" rules apply that require you to allocate (classify) your interest expense so that it is deducted on the proper place of your tax return and receives the proper tax treatment These rules could affect how much interest you deduct on Schedule F

Generally, you allocate your interest expense by tracing how the proceeds of the loan are used. See **Publications 535** and **545** for more information, including special transitional rules that may require you to attach statements to your return

If you paid interest on a debt secured by your principal home, and any of the proceeds from that debt were used in connection with your farming business, you may have to complete **Form 8598,** Home Mortgage Interest, to figure the interest that is deductible on Schedules A and F However, you may elect to treat that debt as not secured by your principal home See **Publication 545 for details.**

If you have a mortgage on your real property used in your farming business (other than your principal residence), enter on line 23a the interest you paid for 1987 to financial institutions If you paid $600 or more of interest on this mortgage, you should receive **Form 1098,** Mortgage Interest Statement, or similar statement, showing the total interest received from you during 1987. You should receive this statement by February 1, 1988 If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098 In the left margin, next to line 23a, write "see attached."

If you paid more mortgage interest than is shown on Form 1098, or similar statement, see **Publication 545** to see if you can deduct the additional interest If you can, attach a statement to your return explaining the difference and write "see attached" in the left margin next to line 23a

On line 23b, enter the interest on other loans related to this farm If you prepaid interest in 1987 for years after 1987, include only the part that applies to 1987

Lines 24a and 24b

Enter the amount you paid for farm labor You can count the cost of boarding farm labor but not the value of any products they used from the farm You can count only what you paid household help to care for farm laborers Do not count the value of your own or your family's labor

Caution: *If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as farm labor the amount applicable to depreciation and other expenses claimed elsewhere.*

Enter on line 24b the jobs credit from **Form 5884.** Get **Publication 572,** General Business Credit, for information on the jobs credit

Line 25

Enter what you paid to rent machinery used on your farm.

Line 26

Enter the amount you paid to pension, profit-sharing, or annuity plans for your employees If the plan included you as an owner-employee, see the instructions for Schedule C, line 21, on page 33 Enter the amount you paid for yourself on Form 1040, line 26

Line 27

Enter what you paid to rent pasture or farm land

Line 28

Enter what you paid for repairs and upkeep of farm buildings (but not your home), machinery, and equipment You can also include what you paid for tools of short life or small cost, such as shovels and rakes

Line 32

You can deduct the following taxes

- Real estate and personal property taxes on farm business assets

- Social security taxes you paid to match what you are required to withhold from farm employees' wages and any Federal unemployment tax paid
- Federal highway use tax

Do not deduct:

- Federal income taxes
- Estate and gift taxes
- Taxes assessed to pay for improvements, such as paving and sewers.
- Taxes on your home or personal property
- State and local sales taxes (these taxes are treated as part of the cost of the property).
- Other taxes not related to the farm business

Line 33

Enter what you paid for gas, electricity, water, etc., for business use on the farm Do not include personal utilities

Lines 35a through 35c

Enter expenses not listed on another line, such as

- Office supplies
- Advertising
- Any loss from this activity that was not allowed as a deduction last year because of the at-risk provisions This is treated as a deduction allocable to this activity in 1987
- Amortization of qualifying forestation and reforestation costs over an 84-month period
- Amortization of certain business startup costs over a period of at least 60 months

Use **Form 4562,** Depreciation and Amortization, to figure your amortization deduction Include on line 35 of Schedule F the amount of the deduction from Form 4562, Part II

For more information on amortization, get **Publication 535.**

- Bad Debts Include debts and partial debts arising from sales that were included in income and are definitely known to be worthless ***Caution:*** *Cash method taxpayers are not entitled to a bad debt deduction unless the amount was previously included in income*

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it

Note: *Beginning in 1987, you can no longer use the reserve method for figuring bad debt deductions If you maintained a reserve for 1986, you must change to the specific charge-off method for 1987 Also, starting in 1987, you must include the balance remaining in the reserve account as income ratably over a four-year period*

For more information, please get **Publication 548,** Deduction for Bad Debts

- Car and truck expenses You can deduct the actual cost of running your car or truck, or take the standard mileage rate

Note: *If you claim any car or truck expenses (actual costs or the standard mileage rate), you must complete Part III of Form 4562.*

The standard rate is 22½ cents a mile up to 15,000 miles, and 11 cents a mile for each mile after that. If you use more than one vehicle for business, you must use the actual cost If you use the vehicle for both personal and farm purposes, show only the miles (or costs) which apply to farming

For vehicles that have been fully depreciated, the rate is 11 cents a mile

If you use the standard rate, the vehicle is considered to have a useful life of 60,000 miles of business use at the maximum standard mileage rate

For more details, get **Publication 917,** Business Use of a Car

Note: *If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a Federal highway use tax on these vehicles Get* ***Form 2290,*** *Heavy Vehicle Use Tax Return, to see if you are subject to the tax*

Line 37

If you have a loss, the amount of loss you can deduct this year may be limited Go on to line 38 before entering your loss on line 37 If you answered "No" to Question F on Schedule F, also see **Form 8582,** Passive Activity Loss Limitations Enter the net profit or **deductible** loss here and on Form 1040, line 18, and Schedule SE, Part I, line 1 (or Form 1041, line 5, or Form 1041S, line 5). Partnerships should stop here and enter the profit or loss on this line and on Form 1065, line 5.

Line 38

If you have (1) a loss from any farming activity that you engaged in as a trade or business or for the production of income, including the holding of real property (other than mineral property) placed in service after December 31, 1986, and (2) you have amounts for which you are not at risk in the activity, use **Form 6198,** Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss

Answer the question on line 38 "**YES**" if you have any amounts for which you are not at risk for this farm such as the following

1. nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire your interest in the activity, unless they are secured by property not used in the activity or by real property.
2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement; or
3. loans from someone who has an interest in the activity, other than as a creditor, or who is related, under section 465(b)(3)(C), to a person (other than yourself) having such an interest, or
4. amounts contributed to the activity, or to your interest in the activity that is covered by

- nonrecourse loans or protected against loss by a guarantee, stop-loss agreement, or similar arrangement, or
- loans from a person decribed in 3 above

If you do not have any of these kinds of amounts for which you are not at risk in this business, then answer the question "**NO**" and enter your loss on line 37 unless you answered "No" to Question F In this case, you must complete Form 8582 to figure your allowable loss to enter on line 37

If you answered "**YES**" to the question on line 38, get Form 6198 to determine the amount of deductible loss and enter that amount on line 37 unless you answered "No" to Question F and your loss is further limited on Form 8582 If your at-risk amount is zero or less, enter zero on line 37 Be sure to attach Form 6198 to your return. If you answer "Yes" to the question on line 38 and you fail to attach Form 6198, processing of your return may be delayed

If, in addition to the amount that you report on Schedule F, you sell or otherwise dispose of (1) an asset used in an activity to which the at-risk rules apply, or (2) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198

Any loss from this activity not allowed for 1987 because of the at-risk rules is treated as a deduction allocable to the activity in 1988

For more details, get **Publication 925,** Passive Activity and At-Risk Rules Also see the instructions for Form 6198

Part III

Farm Income—Accrual Method

If you use the accrual method, report farm income when you earn it, not when you receive it Generally, you must inventory your animals and crops if you use this method Get **Publication 538,** Accounting Periods and Methods, for exceptions, inventory methods, how to change methods of accounting, and for new rules that require certain costs to be capitalized or included in inventory

Line 39

Enter the amount you got from the sales of livestock, produce, grains, and other products you raised.

Lines 40a through 45

See instructions for Part I, lines 5, 7, 8, 10, and 11

1987 Tax Table

Based on Taxable Income

For persons with taxable incomes of less than $50,000.

Example: Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 36 of Form 1040 is $25,325. First, they find the $25,300–25,350 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is $3,679. This is the tax amount they must write on line 37 of their return.

At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
25,200	25,250	4,807	3,664	5,374	3,973
25,250	25,300	4,821	3,671	5,391	3,987
25,300	25,350	4,835	3,679	5,409	4,001
25,350	25,400	4,849	3,686	5,426	4,015

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
$0	$5	$0	$0	$0	$0
5	15	1	1	1	1
15	25	2	2	2	2
25	50	4	4	4	4
50	75	7	7	7	7
75	100	10	10	10	10
100	125	12	12	12	12
125	150	15	15	15	15
150	175	18	18	18	18
175	200	21	21	21	21
200	225	23	23	23	23
225	250	26	26	26	26
250	275	29	29	29	29
275	300	32	32	32	32
300	325	34	34	34	34
325	350	37	37	37	37
350	375	40	40	40	40
375	400	43	43	43	43
400	425	45	45	45	45
425	450	48	48	48	48
450	475	51	51	51	51
475	500	54	54	54	54
500	525	56	56	56	56
525	550	59	59	59	59
550	575	62	62	62	62
575	600	65	65	65	65
600	625	67	67	67	67
625	650	70	70	70	70
650	675	73	73	73	73
675	700	76	76	76	76
700	725	78	78	78	78
725	750	81	81	81	81
750	775	84	84	84	84
775	800	87	87	87	87
800	825	89	89	89	89
825	850	92	92	92	92
850	875	95	95	95	95
875	900	98	98	98	98
900	925	100	100	100	100
925	950	103	103	103	103
950	975	106	106	106	106
975	1,000	109	109	109	109
1,000					
1,000	1,025	111	111	111	111
1,025	1,050	114	114	114	114
1,050	1,075	117	117	117	117
1,075	1,100	120	120	120	120
1,100	1,125	122	122	122	122
1,125	1,150	125	125	125	125
1,150	1,175	128	128	128	128
1,175	1,200	131	131	131	131
1,200	1,225	133	133	133	133
1,225	1,250	136	136	136	136
1,250	1,275	139	139	139	139
1,275	1,300	142	142	142	142
1,300	1,325	144	144	144	144
1,325	1,350	147	147	147	147
1,350	1,375	150	150	150	150
1,375	1,400	153	153	153	153

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
1,400	1,425	155	155	155	155
1,425	1,450	158	158	158	158
1,450	1,475	161	161	161	161
1,475	1,500	164	164	164	164
1,500	1,525	166	166	167	166
1,525	1,550	169	169	171	169
1,550	1,575	172	172	174	172
1,575	1,600	175	175	178	175
1,600	1,625	177	177	182	177
1,625	1,650	180	180	186	180
1,650	1,675	183	183	189	183
1,675	1,700	186	186	193	186
1,700	1,725	188	188	197	188
1,725	1,750	191	191	201	191
1,750	1,775	194	194	204	194
1,775	1,800	197	197	208	197
1,800	1,825	200	199	212	199
1,825	1,850	204	202	216	202
1,850	1,875	207	205	219	205
1,875	1,900	211	208	223	208
1,900	1,925	215	210	227	210
1,925	1,950	219	213	231	213
1,950	1,975	222	216	234	216
1,975	2,000	226	219	238	219
2,000					
2,000	2,025	230	221	242	221
2,025	2,050	234	224	246	224
2,050	2,075	237	227	249	227
2,075	2,100	241	230	253	230
2,100	2,125	245	232	257	232
2,125	2,150	249	235	261	235
2,150	2,175	252	238	264	238
2,175	2,200	256	241	268	241
2,200	2,225	260	243	272	243
2,225	2,250	264	246	276	246
2,250	2,275	267	249	279	249
2,275	2,300	271	252	283	252
2,300	2,325	275	254	287	254
2,325	2,350	279	257	291	257
2,350	2,375	282	260	294	260
2,375	2,400	286	263	298	263
2,400	2,425	290	265	302	265
2,425	2,450	294	268	306	268
2,450	2,475	297	271	309	271
2,475	2,500	301	274	313	274
2,500	2,525	305	276	317	277
2,525	2,550	309	279	321	281
2,550	2,575	312	282	324	284
2,575	2,600	316	285	328	288
2,600	2,625	320	287	332	292
2,625	2,650	324	290	336	296
2,650	2,675	327	293	339	299
2,675	2,700	331	296	343	303

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
2,700	2,725	335	298	347	307
2,725	2,750	339	301	351	311
2,750	2,775	342	304	354	314
2,775	2,800	346	307	358	318
2,800	2,825	350	309	362	322
2,825	2,850	354	312	366	326
2,850	2,875	357	315	369	329
2,875	2,900	361	318	373	333
2,900	2,925	365	320	377	337
2,925	2,950	369	323	381	341
2,950	2,975	372	326	384	344
2,975	3,000	376	329	388	348
3,000					
3,000	3,050	382	334	394	354
3,050	3,100	389	341	401	361
3,100	3,150	397	349	409	369
3,150	3,200	404	356	416	376
3,200	3,250	412	364	424	384
3,250	3,300	419	371	431	391
3,300	3,350	427	379	439	399
3,350	3,400	434	386	446	406
3,400	3,450	442	394	454	414
3,450	3,500	449	401	461	421
3,500	3,550	457	409	469	429
3,550	3,600	464	416	476	436
3,600	3,650	472	424	484	444
3,650	3,700	479	431	491	451
3,700	3,750	487	439	499	459
3,750	3,800	494	446	506	466
3,800	3,850	502	454	514	474
3,850	3,900	509	461	521	481
3,900	3,950	517	469	529	489
3,950	4,000	524	476	536	496
4,000					
4,000	4,050	532	484	544	504
4,050	4,100	539	491	551	511
4,100	4,150	547	499	559	519
4,150	4,200	554	506	566	526
4,200	4,250	562	514	574	534
4,250	4,300	569	521	581	541
4,300	4,350	577	529	589	549
4,350	4,400	584	536	596	556
4,400	4,450	592	544	604	564
4,450	4,500	599	551	611	571
4,500	4,550	607	559	619	579
4,550	4,600	614	566	626	586
4,600	4,650	622	574	634	594
4,650	4,700	629	581	641	601
4,700	4,750	637	589	649	609
4,750	4,800	644	596	656	616
4,800	4,850	652	604	664	624
4,850	4,900	659	611	671	631
4,900	4,950	667	619	679	639
4,950	5,000	674	626	686	646

Continued on next page

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
5,000					
5,000	5,050	682	634	694	654
5,050	5,100	689	641	701	661
5,100	5,150	697	649	709	669
5,150	5,200	704	656	716	676
5,200	5,250	712	664	724	684
5,250	5,300	719	671	731	691
5,300	5,350	727	679	739	699
5,350	5,400	734	686	746	706
5,400	5,450	742	694	754	714
5,450	5,500	749	701	761	721
5,500	5,550	757	709	769	729
5,550	5,600	764	716	776	736
5,600	5,650	772	724	784	744
5,650	5,700	779	731	791	751
5,700	5,750	787	739	799	759
5,750	5,800	794	746	806	766
5,800	5,850	802	754	814	774
5,850	5,900	809	761	821	781
5,900	5,950	817	769	829	789
5,950	6,000	824	776	836	796
6,000					
6,000	6,050	832	784	844	804
6,050	6,100	839	791	851	811
6,100	6,150	847	799	859	819
6,150	6,200	854	806	866	826
6,200	6,250	862	814	874	834
6,250	6,300	869	821	881	841
6,300	6,350	877	829	889	849
6,350	6,400	884	836	896	856
6,400	6,450	892	844	904	864
6,450	6,500	899	851	911	871
6,500	6,550	907	859	919	879
6,550	6,600	914	866	926	886
6,600	6,650	922	874	934	894
6,650	6,700	929	881	941	901
6,700	6,750	937	889	949	909
6,750	6,800	944	896	956	916
6,800	6,850	952	904	964	924
6,850	6,900	959	911	971	931
6,900	6,950	967	919	979	939
6,950	7,000	974	926	986	946
7,000					
7,000	7,050	982	934	994	954
7,050	7,100	989	941	1,001	961
7,100	7,150	997	949	1,009	969
7,150	7,200	1,004	956	1,016	976
7,200	7,250	1,012	964	1,024	984
7,250	7,300	1,019	971	1,031	991
7,300	7,350	1,027	979	1,039	999
7,350	7,400	1,034	986	1,046	1,006
7,400	7,450	1,042	994	1,054	1,014
7,450	7,500	1,049	1,001	1,061	1,021
7,500	7,550	1,057	1,009	1,069	1,029
7,550	7,600	1,064	1,016	1,076	1,036
7,600	7,650	1,072	1,024	1,084	1,044
7,650	7,700	1,079	1,031	1,091	1,051
7,700	7,750	1,087	1,039	1,099	1,059
7,750	7,800	1,094	1,046	1,106	1,066
7,800	7,850	1,102	1,054	1,114	1,074
7,850	7,900	1,109	1,061	1,121	1,081
7,900	7,950	1,117	1,069	1,129	1,089
7,950	8,000	1,124	1,076	1,136	1,096

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
8,000					
8,000	8,050	1,132	1,084	1,144	1,104
8,050	8,100	1,139	1,091	1,151	1,111
8,100	8,150	1,147	1,099	1,159	1,119
8,150	8,200	1,154	1,106	1,166	1,126
8,200	8,250	1,162	1,114	1,174	1,134
8,250	8,300	1,169	1,121	1,181	1,141
8,300	8,350	1,177	1,129	1,189	1,149
8,350	8,400	1,184	1,136	1,196	1,156
8,400	8,450	1,192	1,144	1,204	1,164
8,450	8,500	1,199	1,151	1,211	1,171
8,500	8,550	1,207	1,159	1,219	1,179
8,550	8,600	1,214	1,166	1,226	1,186
8,600	8,650	1,222	1,174	1,234	1,194
8,650	8,700	1,229	1,181	1,241	1,201
8,700	8,750	1,237	1,189	1,249	1,209
8,750	8,800	1,244	1,196	1,256	1,216
8,800	8,850	1,252	1,204	1,264	1,224
8,850	8,900	1,259	1,211	1,271	1,231
8,900	8,950	1,267	1,219	1,279	1,239
8,950	9,000	1,274	1,226	1,286	1,246
9,000					
9,000	9,050	1,282	1,234	1,294	1,254
9,050	9,100	1,289	1,241	1,301	1,261
9,100	9,150	1,297	1,249	1,309	1,269
9,150	9,200	1,304	1,256	1,316	1,276
9,200	9,250	1,312	1,264	1,324	1,284
9,250	9,300	1,319	1,271	1,331	1,291
9,300	9,350	1,327	1,279	1,339	1,299
9,350	9,400	1,334	1,286	1,346	1,306
9,400	9,450	1,342	1,294	1,354	1,314
9,450	9,500	1,349	1,301	1,361	1,321
9,500	9,550	1,357	1,309	1,369	1,329
9,550	9,600	1,364	1,316	1,376	1,336
9,600	9,650	1,372	1,324	1,384	1,344
9,650	9,700	1,379	1,331	1,391	1,351
9,700	9,750	1,387	1,339	1,399	1,359
9,750	9,800	1,394	1,346	1,406	1,366
9,800	9,850	1,402	1,354	1,414	1,374
9,850	9,900	1,409	1,361	1,421	1,381
9,900	9,950	1,417	1,369	1,429	1,389
9,950	10,000	1,424	1,376	1,436	1,396
10,000					
10,000	10,050	1,432	1,384	1,444	1,404
10,050	10,100	1,439	1,391	1,451	1,411
10,100	10,150	1,447	1,399	1,459	1,419
10,150	10,200	1,454	1,406	1,466	1,426
10,200	10,250	1,462	1,414	1,474	1,434
10,250	10,300	1,469	1,421	1,481	1,441
10,300	10,350	1,477	1,429	1,489	1,449
10,350	10,400	1,484	1,436	1,496	1,456
10,400	10,450	1,492	1,444	1,504	1,464
10,450	10,500	1,499	1,451	1,511	1,471
10,500	10,550	1,507	1,459	1,519	1,479
10,550	10,600	1,514	1,466	1,526	1,486
10,600	10,650	1,522	1,474	1,534	1,494
10,650	10,700	1,529	1,481	1,541	1,501
10,700	10,750	1,537	1,489	1,549	1,509
10,750	10,800	1,544	1,496	1,556	1,516
10,800	10,850	1,552	1,504	1,564	1,524
10,850	10,900	1,559	1,511	1,571	1,531
10,900	10,950	1,567	1,519	1,579	1,539
10,950	11,000	1,574	1,526	1,586	1,546

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
11,000					
11,000	11,050	1,582	1,534	1,594	1,554
11,050	11,100	1,589	1,541	1,601	1,561
11,100	11,150	1,597	1,549	1,609	1,569
11,150	11,200	1,604	1,556	1,616	1,576
11,200	11,250	1,612	1,564	1,624	1,584
11,250	11,300	1,619	1,571	1,631	1,591
11,300	11,350	1,627	1,579	1,639	1,599
11,350	11,400	1,634	1,586	1,646	1,606
11,400	11,450	1,642	1,594	1,654	1,614
11,450	11,500	1,649	1,601	1,661	1,621
11,500	11,550	1,657	1,609	1,669	1,629
11,550	11,600	1,664	1,616	1,676	1,636
11,600	11,650	1,672	1,624	1,684	1,644
11,650	11,700	1,679	1,631	1,691	1,651
11,700	11,750	1,687	1,639	1,699	1,659
11,750	11,800	1,694	1,646	1,706	1,666
11,800	11,850	1,702	1,654	1,714	1,674
11,850	11,900	1,709	1,661	1,721	1,681
11,900	11,950	1,717	1,669	1,729	1,689
11,950	12,000	1,724	1,676	1,736	1,696
12,000					
12,000	12,050	1,732	1,684	1,744	1,704
12,050	12,100	1,739	1,691	1,751	1,711
12,100	12,150	1,747	1,699	1,759	1,719
12,150	12,200	1,754	1,706	1,766	1,726
12,200	12,250	1,762	1,714	1,774	1,734
12,250	12,300	1,769	1,721	1,781	1,741
12,300	12,350	1,777	1,729	1,789	1,749
12,350	12,400	1,784	1,736	1,796	1,756
12,400	12,450	1,792	1,744	1,804	1,764
12,450	12,500	1,799	1,751	1,811	1,771
12,500	12,550	1,807	1,759	1,819	1,779
12,550	12,600	1,814	1,766	1,826	1,786
12,600	12,650	1,822	1,774	1,834	1,794
12,650	12,700	1,829	1,781	1,841	1,801
12,700	12,750	1,837	1,789	1,849	1,809
12,750	12,800	1,844	1,796	1,856	1,816
12,800	12,850	1,852	1,804	1,864	1,824
12,850	12,900	1,859	1,811	1,871	1,831
12,900	12,950	1,867	1,819	1,879	1,839
12,950	13,000	1,874	1,826	1,886	1,846
13,000					
13,000	13,050	1,882	1,834	1,894	1,854
13,050	13,100	1,889	1,841	1,901	1,861
13,100	13,150	1,897	1,849	1,909	1,869
13,150	13,200	1,904	1,856	1,916	1,876
13,200	13,250	1,912	1,864	1,924	1,884
13,250	13,300	1,919	1,871	1,931	1,891
13,300	13,350	1,927	1,879	1,939	1,899
13,350	13,400	1,934	1,886	1,946	1,906
13,400	13,450	1,942	1,894	1,954	1,914
13,450	13,500	1,949	1,901	1,961	1,921
13,500	13,550	1,957	1,909	1,969	1,929
13,550	13,600	1,964	1,916	1,976	1,936
13,600	13,650	1,972	1,924	1,984	1,944
13,650	13,700	1,979	1,931	1,991	1,951
13,700	13,750	1,987	1,939	1,999	1,959
13,750	13,800	1,994	1,946	2,006	1,966
13,800	13,850	2,002	1,954	2,014	1,974
13,850	13,900	2,009	1,961	2,021	1,981
13,900	13,950	2,017	1,969	2,029	1,989
13,950	14,000	2,024	1,976	2,036	1,996

* This column must also be used by a qualifying widow(er)

Continued on next page

1987 Tax Table—*Continued*

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
14,000					
14,000	14,050	2,032	1,984	2,047	2,004
14,050	14,100	2,039	1,991	2,061	2,011
14,100	14,150	2,047	1,999	2,075	2,019
14,150	14,200	2,054	2,006	2,089	2,026
14,200	14,250	2,062	2,014	2,103	2,034
14,250	14,300	2,069	2,021	2,117	2,041
14,300	14,350	2,077	2,029	2,131	2,049
14,350	14,400	2,084	2,036	2,145	2,056
14,400	14,450	2,092	2,044	2,159	2,064
14,450	14,500	2,099	2,051	2,173	2,071
14,500	14,550	2,107	2,059	2,187	2,079
14,550	14,600	2,114	2,066	2,201	2,086
14,600	14,650	2,122	2,074	2,215	2,094
14,650	14,700	2,129	2,081	2,229	2,101
14,700	14,750	2,137	2,089	2,243	2,109
14,750	14,800	2,144	2,096	2,257	2,116
14,800	14,850	2,152	2,104	2,271	2,124
14,850	14,900	2,159	2,111	2,285	2,131
14,900	14,950	2,167	2,119	2,299	2,139
14,950	15,000	2,174	2,126	2,313	2,146
15,000					
15,000	15,050	2,182	2,134	2,327	2,154
15,050	15,100	2,189	2,141	2,341	2,161
15,100	15,150	2,197	2,149	2,355	2,169
15,150	15,200	2,204	2,156	2,369	2,176
15,200	15,250	2,212	2,164	2,383	2,184
15,250	15,300	2,219	2,171	2,397	2,191
15,300	15,350	2,227	2,179	2,411	2,199
15,350	15,400	2,234	2,186	2,425	2,206
15,400	15,450	2,242	2,194	2,439	2,214
15,450	15,500	2,249	2,201	2,453	2,221
15,500	15,550	2,257	2,209	2,467	2,229
15,550	15,600	2,264	2,216	2,481	2,236
15,600	15,650	2,272	2,224	2,495	2,244
15,650	15,700	2,279	2,231	2,509	2,251
15,700	15,750	2,287	2,239	2,523	2,259
15,750	15,800	2,294	2,246	2,537	2,266
15,800	15,850	2,302	2,254	2,551	2,274
15,850	15,900	2,309	2,261	2,565	2,281
15,900	15,950	2,317	2,269	2,579	2,289
15,950	16,000	2,324	2,276	2,593	2,296
16,000					
16,000	16,050	2,332	2,284	2,607	2,304
16,050	16,100	2,339	2,291	2,621	2,311
16,100	16,150	2,347	2,299	2,635	2,319
16,150	16,200	2,354	2,306	2,649	2,326
16,200	16,250	2,362	2,314	2,663	2,334
16,250	16,300	2,369	2,321	2,677	2,341
16,300	16,350	2,377	2,329	2,691	2,349
16,350	16,400	2,384	2,336	2,705	2,356
16,400	16,450	2,392	2,344	2,719	2,364
16,450	16,500	2,399	2,351	2,733	2,371
16,500	16,550	2,407	2,359	2,747	2,379
16,550	16,600	2,414	2,366	2,761	2,386
16,600	16,650	2,422	2,374	2,775	2,394
16,650	16,700	2,429	2,381	2,789	2,401
16,700	16,750	2,437	2,389	2,803	2,409
16,750	16,800	2,444	2,396	2,817	2,416
16,800	16,850	2,455	2,404	2,831	2,424
16,850	16,900	2,469	2,411	2,845	2,431
16,900	16,950	2,483	2,419	2,859	2,439
16,950	17,000	2,497	2,426	2,873	2,446
17,000					
17,000	17,050	2,511	2,434	2,887	2,454
17,050	17,100	2,525	2,441	2,901	2,461
17,100	17,150	2,539	2,449	2,915	2,469
17,150	17,200	2,553	2,456	2,929	2,476
17,200	17,250	2,567	2,464	2,943	2,484
17,250	17,300	2,581	2,471	2,957	2,491
17,300	17,350	2,595	2,479	2,971	2,499
17,350	17,400	2,609	2,486	2,985	2,506
17,400	17,450	2,623	2,494	2,999	2,514
17,450	17,500	2,637	2,501	3,013	2,521
17,500	17,550	2,651	2,509	3,027	2,529
17,550	17,600	2,665	2,516	3,041	2,536
17,600	17,650	2,679	2,524	3,055	2,544
17,650	17,700	2,693	2,531	3,069	2,551
17,700	17,750	2,707	2,539	3,083	2,559
17,750	17,800	2,721	2,546	3,097	2,566
17,800	17,850	2,735	2,554	3,111	2,574
17,850	17,900	2,749	2,561	3,125	2,581
17,900	17,950	2,763	2,569	3,139	2,589
17,950	18,000	2,777	2,576	3,153	2,596
18,000					
18,000	18,050	2,791	2,584	3,167	2,604
18,050	18,100	2,805	2,591	3,181	2,611
18,100	18,150	2,819	2,599	3,195	2,619
18,150	18,200	2,833	2,606	3,209	2,626
18,200	18,250	2,847	2,614	3,223	2,634
18,250	18,300	2,861	2,621	3,237	2,641
18,300	18,350	2,875	2,629	3,251	2,649
18,350	18,400	2,889	2,636	3,265	2,656
18,400	18,450	2,903	2,644	3,279	2,664
18,450	18,500	2,917	2,651	3,293	2,671
18,500	18,550	2,931	2,659	3,307	2,679
18,550	18,600	2,945	2,666	3,321	2,686
18,600	18,650	2,959	2,674	3,335	2,694
18,650	18,700	2,973	2,681	3,349	2,701
18,700	18,750	2,987	2,689	3,363	2,709
18,750	18,800	3,001	2,696	3,377	2,716
18,800	18,850	3,015	2,704	3,391	2,724
18,850	18,900	3,029	2,711	3,405	2,731
18,900	18,950	3,043	2,719	3,419	2,739
18,950	19,000	3,057	2,726	3,433	2,746
19,000					
19,000	19,050	3,071	2,734	3,447	2,754
19,050	19,100	3,085	2,741	3,461	2,761
19,100	19,150	3,099	2,749	3,475	2,769
19,150	19,200	3,113	2,756	3,489	2,776
19,200	19,250	3,127	2,764	3,503	2,784
19,250	19,300	3,141	2,771	3,517	2,791
19,300	19,350	3,155	2,779	3,531	2,799
19,350	19,400	3,169	2,786	3,545	2,806
19,400	19,450	3,183	2,794	3,559	2,814
19,450	19,500	3,197	2,801	3,573	2,821
19,500	19,550	3,211	2,809	3,587	2,829
19,550	19,600	3,225	2,816	3,601	2,836
19,600	19,650	3,239	2,824	3,615	2,844
19,650	19,700	3,253	2,831	3,629	2,851
19,700	19,750	3,267	2,839	3,643	2,859
19,750	19,800	3,281	2,846	3,657	2,866
19,800	19,850	3,295	2,854	3,671	2,874
19,850	19,900	3,309	2,861	3,685	2,881
19,900	19,950	3,323	2,869	3,699	2,889
19,950	20,000	3,337	2,876	3,713	2,896
20,000					
20,000	20,050	3,351	2,884	3,727	2,904
20,050	20,100	3,365	2,891	3,741	2,911
20,100	20,150	3,379	2,899	3,755	2,919
20,150	20,200	3,393	2,906	3,769	2,926
20,200	20,250	3,407	2,914	3,783	2,934
20,250	20,300	3,421	2,921	3,797	2,941
20,300	20,350	3,435	2,929	3,811	2,949
20,350	20,400	3,449	2,936	3,825	2,956
20,400	20,450	3,463	2,944	3,839	2,964
20,450	20,500	3,477	2,951	3,853	2,971
20,500	20,550	3,491	2,959	3,867	2,979
20,550	20,600	3,505	2,966	3,881	2,986
20,600	20,650	3,519	2,974	3,895	2,994
20,650	20,700	3,533	2,981	3,909	3,001
20,700	20,750	3,547	2,989	3,923	3,009
20,750	20,800	3,561	2,996	3,937	3,016
20,800	20,850	3,575	3,004	3,951	3,024
20,850	20,900	3,589	3,011	3,965	3,031
20,900	20,950	3,603	3,019	3,979	3,039
20,950	21,000	3,617	3,026	3,993	3,046
21,000					
21,000	21,050	3,631	3,034	4,007	3,054
21,050	21,100	3,645	3,041	4,021	3,061
21,100	21,150	3,659	3,049	4,035	3,069
21,150	21,200	3,673	3,056	4,049	3,076
21,200	21,250	3,687	3,064	4,063	3,084
21,250	21,300	3,701	3,071	4,077	3,091
21,300	21,350	3,715	3,079	4,091	3,099
21,350	21,400	3,729	3,086	4,105	3,106
21,400	21,450	3,743	3,094	4,119	3,114
21,450	21,500	3,757	3,101	4,133	3,121
21,500	21,550	3,771	3,109	4,147	3,129
21,550	21,600	3,785	3,116	4,161	3,136
21,600	21,650	3,799	3,124	4,175	3,144
21,650	21,700	3,813	3,131	4,189	3,151
21,700	21,750	3,827	3,139	4,203	3,159
21,750	21,800	3,841	3,146	4,217	3,166
21,800	21,850	3,855	3,154	4,231	3,174
21,850	21,900	3,869	3,161	4,245	3,181
21,900	21,950	3,883	3,169	4,259	3,189
21,950	22,000	3,897	3,176	4,273	3,196
22,000					
22,000	22,050	3,911	3,184	4,287	3,204
22,050	22,100	3,925	3,191	4,301	3,211
22,100	22,150	3,939	3,199	4,315	3,219
22,150	22,200	3,953	3,206	4,329	3,226
22,200	22,250	3,967	3,214	4,343	3,234
22,250	22,300	3,981	3,221	4,357	3,241
22,300	22,350	3,995	3,229	4,371	3,249
22,350	22,400	4,009	3,236	4,385	3,256
22,400	22,450	4,023	3,244	4,399	3,264
22,450	22,500	4,037	3,251	4,413	3,271
22,500	22,550	4,051	3,259	4,429	3,279
22,550	22,600	4,065	3,266	4,446	3,286
22,600	22,650	4,079	3,274	4,464	3,294
22,650	22,700	4,093	3,281	4,481	3,301
22,700	22,750	4,107	3,289	4,499	3,309
22,750	22,800	4,121	3,296	4,516	3,316
22,800	22,850	4,135	3,304	4,534	3,324
22,850	22,900	4,149	3,311	4,551	3,331
22,900	22,950	4,163	3,319	4,569	3,339
22,950	23,000	4,177	3,326	4,586	3,346

* This column must also be used by a qualifying widow(er)

Continued on next page

1987 Tax Table—*Continued*

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing sepa rately	Head of a house hold
		Your tax is—			
23,000					
23,000	23,050	4,191	3,334	4,604	3,357
23,050	23,100	4,205	3,341	4,621	3,371
23,100	23,150	4,219	3,349	4,639	3,385
23,150	23,200	4,233	3,356	4,656	3,399
23,200	23,250	4,247	3,364	4,674	3,413
23,250	23,300	4,261	3,371	4,691	3,427
23,300	23,350	4,275	3,379	4,709	3,441
23,350	23,400	4,289	3,386	4,726	3,455
23,400	23,450	4,303	3,394	4,744	3,469
23,450	23,500	4,317	3,401	4,761	3,483
23,500	23,550	4,331	3,409	4,779	3,497
23,550	23,600	4,345	3,416	4,796	3,511
23,600	23,650	4,359	3,424	4,814	3,525
23,650	23,700	4,373	3,431	4,831	3,539
23,700	23,750	4,387	3,439	4,849	3,553
23,750	23,800	4,401	3,446	4,866	3,567
23,800	23,850	4,415	3,454	4,884	3,581
23,850	23,900	4,429	3,461	4,901	3,595
23,900	23,950	4,443	3,469	4,919	3,609
23,950	24,000	4,457	3,476	4,936	3,623
24,000					
24,000	24,050	4,471	3,484	4,954	3,637
24,050	24,100	4,485	3,491	4,971	3,651
24,100	24,150	4,499	3,499	4,989	3,665
24,150	24,200	4,513	3,506	5,006	3,679
24,200	24,250	4,527	3,514	5,024	3,693
24,250	24,300	4,541	3,521	5,041	3,707
24,300	24,350	4,555	3,529	5,059	3,721
24,350	24,400	4,569	3,536	5,076	3,735
24,400	24,450	4,583	3,544	5,094	3,749
24,450	24,500	4,597	3,551	5,111	3,763
24,500	24,550	4,611	3,559	5,129	3,777
24,550	24,600	4,625	3,566	5,146	3,791
24,600	24,650	4,639	3,574	5,164	3,805
24,650	24,700	4,653	3,581	5,181	3,819
24,700	24,750	4,667	3,589	5,199	3,833
24,750	24,800	4,681	3,596	5,216	3,847
24,800	24,850	4,695	3,604	5,234	3,861
24,850	24,900	4,709	3,611	5,251	3,875
24,900	24,950	4,723	3,619	5,269	3,889
24,950	25,000	4,737	3,626	5,286	3,903
25,000					
25,000	25,050	4,751	3,634	5,304	3,917
25,050	25,100	4,765	3,641	5,321	3,931
25,100	25,150	4,779	3,649	5,339	3,945
25,150	25,200	4,793	3,656	5,356	3,959
25,200	25,250	4,807	3,664	5,374	3,973
25,250	25,300	4,821	3,671	5,391	3,987
25,300	25,350	4,835	3,679	5,409	4,001
25,350	25,400	4,849	3,686	5,426	4,015
25,400	25,450	4,863	3,694	5,444	4,029
25,450	25,500	4,877	3,701	5,461	4,043
25,500	25,550	4,891	3,709	5,479	4,057
25,550	25,600	4,905	3,716	5,496	4,071
25,600	25,650	4,919	3,724	5,514	4,085
25,650	25,700	4,933	3,731	5,531	4,099
25,700	25,750	4,947	3,739	5,549	4,113
25,750	25,800	4,961	3,746	5,566	4,127
25,800	25,850	4,975	3,754	5,584	4,141
25,850	25,900	4,989	3,761	5,601	4,155
25,900	25,950	5,003	3,769	5,619	4,169
25,950	26,000	5,017	3,776	5,636	4,183
26,000					
26,000	26,050	5,031	3,784	5,654	4,197
26,050	26,100	5,045	3,791	5,671	4,211
26,100	26,150	5,059	3,799	5,689	4,225
26,150	26,200	5,073	3,806	5,706	4,239
26,200	26,250	5,087	3,814	5,724	4,253
26,250	26,300	5,101	3,821	5,741	4,267
26,300	26,350	5,115	3,829	5,759	4,281
26,350	26,400	5,129	3,836	5,776	4,295
26,400	26,450	5,143	3,844	5,794	4,309
26,450	26,500	5,157	3,851	5,811	4,323
26,500	26,550	5,171	3,859	5,829	4,337
26,550	26,600	5,185	3,866	5,846	4,351
26,600	26,650	5,199	3,874	5,864	4,365
26,650	26,700	5,213	3,881	5,881	4,379
26,700	26,750	5,227	3,889	5,899	4,393
26,750	26,800	5,241	3,896	5,916	4,407
26,800	26,850	5,255	3,904	5,934	4,421
26,850	26,900	5,269	3,911	5,951	4,435
26,900	26,950	5,283	3,919	5,969	4,449
26,950	27,000	5,297	3,926	5,986	4,463
27,000					
27,000	27,050	5,313	3,934	6,004	4,477
27,050	27,100	5,330	3,941	6,021	4,491
27,100	27,150	5,348	3,949	6,039	4,505
27,150	27,200	5,365	3,956	6,056	4,519
27,200	27,250	5,383	3,964	6,074	4,533
27,250	27,300	5,400	3,971	6,091	4,547
27,300	27,350	5,418	3,979	6,109	4,561
27,350	27,400	5,435	3,986	6,126	4,575
27,400	27,450	5,453	3,994	6,144	4,589
27,450	27,500	5,470	4,001	6,161	4,603
27,500	27,550	5,488	4,009	6,179	4,617
27,550	27,600	5,505	4,016	6,196	4,631
27,600	27,650	5,523	4,024	6,214	4,645
27,650	27,700	5,540	4,031	6,231	4,659
27,700	27,750	5,558	4,039	6,249	4,673
27,750	27,800	5,575	4,046	6,266	4,687
27,800	27,850	5,593	4,054	6,284	4,701
27,850	27,900	5,610	4,061	6,301	4,715
27,900	27,950	5,628	4,069	6,319	4,729
27,950	28,000	5,645	4,076	6,336	4,743
28,000					
28,000	28,050	5,663	4,087	6,354	4,757
28,050	28,100	5,680	4,101	6,371	4,771
28,100	28,150	5,698	4,115	6,389	4,785
28,150	28,200	5,715	4,129	6,406	4,799
28,200	28,250	5,733	4,143	6,424	4,813
28,250	28,300	5,750	4,157	6,441	4,827
28,300	28,350	5,768	4,171	6,459	4,841
28,350	28,400	5,785	4,185	6,476	4,855
28,400	28,450	5,803	4,199	6,494	4,869
28,450	28,500	5,820	4,213	6,511	4,883
28,500	28,550	5,838	4,227	6,529	4,897
28,550	28,600	5,855	4,241	6,546	4,911
28,600	28,650	5,873	4,255	6,564	4,925
28,650	28,700	5,890	4,269	6,581	4,939
28,700	28,750	5,908	4,283	6,599	4,953
28,750	28,800	5,925	4,297	6,616	4,967
28,800	28,850	5,943	4,311	6,634	4,981
28,850	28,900	5,960	4,325	6,651	4,995
28,900	28,950	5,978	4,339	6,669	5,009
28,950	29,000	5,995	4,353	6,686	5,023
29,000					
29,000	29,050	6,013	4,367	6,704	5,037
29,050	29,100	6,030	4,381	6,721	5,051
29,100	29,150	6,048	4,395	6,739	5,065
29,150	29,200	6,065	4,409	6,756	5,079
29,200	29,250	6,083	4,423	6,774	5,093
29,250	29,300	6,100	4,437	6,791	5,107
29,300	29,350	6,118	4,451	6,809	5,121
29,350	29,400	6,135	4,465	6,826	5,135
29,400	29,450	6,153	4,479	6,844	5,149
29,450	29,500	6,170	4,493	6,861	5,163
29,500	29,550	6,188	4,507	6,879	5,177
29,550	29,600	6,205	4,521	6,896	5,191
29,600	29,650	6,223	4,535	6,914	5,205
29,650	29,700	6,240	4,549	6,931	5,219
29,700	29,750	6,258	4,563	6,949	5,233
29,750	29,800	6,275	4,577	6,966	5,247
29,800	29,850	6,293	4,591	6,984	5,261
29,850	29,900	6,310	4,605	7,001	5,275
29,900	29,950	6,328	4,619	7,019	5,289
29,950	30,000	6,345	4,633	7,036	5,303
30,000					
30,000	30,050	6,363	4,647	7,054	5,317
30,050	30,100	6,380	4,661	7,071	5,331
30,100	30,150	6,398	4,675	7,089	5,345
30,150	30,200	6,415	4,689	7,106	5,359
30,200	30,250	6,433	4,703	7,124	5,373
30,250	30,300	6,450	4,717	7,141	5,387
30,300	30,350	6,468	4,731	7,159	5,401
30,350	30,400	6,485	4,745	7,176	5,415
30,400	30,450	6,503	4,759	7,194	5,429
30,450	30,500	6,520	4,773	7,211	5,443
30,500	30,550	6,538	4,787	7,229	5,457
30,550	30,600	6,555	4,801	7,246	5,471
30,600	30,650	6,573	4,815	7,264	5,485
30,650	30,700	6,590	4,829	7,281	5,499
30,700	30,750	6,608	4,843	7,299	5,513
30,750	30,800	6,625	4,857	7,316	5,527
30,800	30,850	6,643	4,871	7,334	5,541
30,850	30,900	6,660	4,885	7,351	5,555
30,900	30,950	6,678	4,899	7,369	5,569
30,950	31,000	6,695	4,913	7,386	5,583
31,000					
31,000	31,050	6,713	4,927	7,404	5,597
31,050	31,100	6,730	4,941	7,421	5,611
31,100	31,150	6,748	4,955	7,439	5,625
31,150	31,200	6,765	4,969	7,456	5,639
31,200	31,250	6,783	4,983	7,474	5,653
31,250	31,300	6,800	4,997	7,491	5,667
31,300	31,350	6,818	5,011	7,509	5,681
31,350	31,400	6,835	5,025	7,526	5,695
31,400	31,450	6,853	5,039	7,544	5,709
31,450	31,500	6,870	5,053	7,561	5,723
31,500	31,550	6,888	5,067	7,579	5,737
31,550	31,600	6,905	5,081	7,596	5,751
31,600	31,650	6,923	5,095	7,614	5,765
31,650	31,700	6,940	5,109	7,631	5,779
31,700	31,750	6,958	5,123	7,649	5,793
31,750	31,800	6,975	5,137	7,666	5,807
31,800	31,850	6,993	5,151	7,684	5,821
31,850	31,900	7,010	5,165	7,701	5,835
31,900	31,950	7,028	5,179	7,719	5,849
31,950	32,000	7,045	5,193	7,736	5,863

* This column must also be used by a qualifying widow(er)

Continued on next page

1987 Tax Table—*Continued*

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a house hold
		Your tax is—			
32,000					
32,000	32,050	7,063	5,207	7,754	5,877
32,050	32,100	7,080	5,221	7,771	5,891
32,100	32,150	7,098	5,235	7,789	5,905
32,150	32,200	7,115	5,249	7,806	5,919
32,200	32,250	7,133	5,263	7,824	5,933
32,250	32,300	7,150	5,277	7,841	5,947
32,300	32,350	7,168	5,291	7,859	5,961
32,350	32,400	7,185	5,305	7,876	5,975
32,400	32,450	7,203	5,319	7,894	5,989
32,450	32,500	7,220	5,333	7,911	6,003
32,500	32,550	7,238	5,347	7,929	6,017
32,550	32,600	7,255	5,361	7,946	6,031
32,600	32,650	7,273	5,375	7,964	6,045
32,650	32,700	7,290	5,389	7,981	6,059
32,700	32,750	7,308	5,403	7,999	6,073
32,750	32,800	7,325	5,417	8,016	6,087
32,800	32,850	7,343	5,431	8,034	6,101
32,850	32,900	7,360	5,445	8,051	6,115
32,900	32,950	7,378	5,459	8,069	6,129
32,950	33,000	7,395	5,473	8,086	6,143
33,000					
33,000	33,050	7,413	5,487	8,104	6,157
33,050	33,100	7,430	5,501	8,121	6,171
33,100	33,150	7,448	5,515	8,139	6,185
33,150	33,200	7,465	5,529	8,156	6,199
33,200	33,250	7,483	5,543	8,174	6,213
33,250	33,300	7,500	5,557	8,191	6,227
33,300	33,350	7,518	5,571	8,209	6,241
33,350	33,400	7,535	5,585	8,226	6,255
33,400	33,450	7,553	5,599	8,244	6,269
33,450	33,500	7,570	5,613	8,261	6,283
33,500	33,550	7,588	5,627	8,279	6,297
33,550	33,600	7,605	5,641	8,296	6,311
33,600	33,650	7,623	5,655	8,314	6,325
33,650	33,700	7,640	5,669	8,331	6,339
33,700	33,750	7,658	5,683	8,349	6,353
33,750	33,800	7,675	5,697	8,366	6,367
33,800	33,850	7,693	5,711	8,384	6,381
33,850	33,900	7,710	5,725	8,401	6,395
33,900	33,950	7,728	5,739	8,419	6,409
33,950	34,000	7,745	5,753	8,436	6,423
34,000					
34,000	34,050	7,763	5,767	8,454	6,437
34,050	34,100	7,780	5,781	8,471	6,451
34,100	34,150	7,798	5,795	8,489	6,465
34,150	34,200	7,815	5,809	8,506	6,479
34,200	34,250	7,833	5,823	8,524	6,493
34,250	34,300	7,850	5,837	8,541	6,507
34,300	34,350	7,868	5,851	8,559	6,521
34,350	34,400	7,885	5,865	8,576	6,535
34,400	34,450	7,903	5,879	8,594	6,549
34,450	34,500	7,920	5,893	8,611	6,563
34,500	34,550	7,938	5,907	8,629	6,577
34,550	34,600	7,955	5,921	8,646	6,591
34,600	34,650	7,973	5,935	8,664	6,605
34,650	34,700	7,990	5,949	8,681	6,619
34,700	34,750	8,008	5,963	8,699	6,633
34,750	34,800	8,025	5,977	8,716	6,647
34,800	34,850	8,043	5,991	8,734	6,661
34,850	34,900	8,060	6,005	8,751	6,675
34,900	34,950	8,078	6,019	8,769	6,689
34,950	35,000	8,095	6,033	8,786	6,703

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a house hold
		Your tax is—			
35,000					
35,000	35,050	8,113	6,047	8,804	6,717
35,050	35,100	8,130	6,061	8,821	6,731
35,100	35,150	8,148	6,075	8,839	6,745
35,150	35,200	8,165	6,089	8,856	6,759
35,200	35,250	8,183	6,103	8,874	6,773
35,250	35,300	8,200	6,117	8,891	6,787
35,300	35,350	8,218	6,131	8,909	6,801
35,350	35,400	8,235	6,145	8,926	6,815
35,400	35,450	8,253	6,159	8,944	6,829
35,450	35,500	8,270	6,173	8,961	6,843
35,500	35,550	8,288	6,187	8,979	6,857
35,550	35,600	8,305	6,201	8,996	6,871
35,600	35,650	8,323	6,215	9,014	6,885
35,650	35,700	8,340	6,229	9,031	6,899
35,700	35,750	8,358	6,243	9,049	6,913
35,750	35,800	8,375	6,257	9,066	6,927
35,800	35,850	8,393	6,271	9,084	6,941
35,850	35,900	8,410	6,285	9,101	6,955
35,900	35,950	8,428	6,299	9,119	6,969
35,950	36,000	8,445	6,313	9,136	6,983
36,000					
36,000	36,050	8,463	6,327	9,154	6,997
36,050	36,100	8,480	6,341	9,171	7,011
36,100	36,150	8,498	6,355	9,189	7,025
36,150	36,200	8,515	6,369	9,206	7,039
36,200	36,250	8,533	6,383	9,224	7,053
36,250	36,300	8,550	6,397	9,241	7,067
36,300	36,350	8,568	6,411	9,259	7,081
36,350	36,400	8,585	6,425	9,276	7,095
36,400	36,450	8,603	6,439	9,294	7,109
36,450	36,500	8,620	6,453	9,311	7,123
36,500	36,550	8,638	6,467	9,329	7,137
36,550	36,600	8,655	6,481	9,346	7,151
36,600	36,650	8,673	6,495	9,364	7,165
36,650	36,700	8,690	6,509	9,381	7,179
36,700	36,750	8,708	6,523	9,399	7,193
36,750	36,800	8,725	6,537	9,416	7,207
36,800	36,850	8,743	6,551	9,434	7,221
36,850	36,900	8,760	6,565	9,451	7,235
36,900	36,950	8,778	6,579	9,469	7,249
36,950	37,000	8,795	6,593	9,486	7,263
37,000					
37,000	37,050	8,813	6,607	9,504	7,277
37,050	37,100	8,830	6,621	9,521	7,291
37,100	37,150	8,848	6,635	9,539	7,305
37,150	37,200	8,865	6,649	9,556	7,319
37,200	37,250	8,883	6,663	9,574	7,333
37,250	37,300	8,900	6,677	9,591	7,347
37,300	37,350	8,918	6,691	9,609	7,361
37,350	37,400	8,935	6,705	9,626	7,375
37,400	37,450	8,953	6,719	9,644	7,389
37,450	37,500	8,970	6,733	9,661	7,403
37,500	37,550	8,988	6,747	9,679	7,417
37,550	37,600	9,005	6,761	9,696	7,431
37,600	37,650	9,023	6,775	9,714	7,445
37,650	37,700	9,040	6,789	9,731	7,459
37,700	37,750	9,058	6,803	9,749	7,473
37,750	37,800	9,075	6,817	9,766	7,487
37,800	37,850	9,093	6,831	9,784	7,501
37,850	37,900	9,110	6,845	9,801	7,515
37,900	37,950	9,128	6,859	9,819	7,529
37,950	38,000	9,145	6,873	9,836	7,543

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a house hold
		Your tax is—			
38,000					
38,000	38,050	9,163	6,887	9,854	7,559
38,050	38,100	9,180	6,901	9,871	7,576
38,100	38,150	9,198	6,915	9,889	7,594
38,150	38,200	9,215	6,929	9,906	7,611
38,200	38,250	9,233	6,943	9,924	7,629
38,250	38,300	9,250	6,957	9,941	7,646
38,300	38,350	9,268	6,971	9,959	7,664
38,350	38,400	9,285	6,985	9,976	7,681
38,400	38,450	9,303	6,999	9,994	7,699
38,450	38,500	9,320	7,013	10,011	7,716
38,500	38,550	9,338	7,027	10,029	7,734
38,550	38,600	9,355	7,041	10,046	7,751
38,600	38,650	9,373	7,055	10,064	7,769
38,650	38,700	9,390	7,069	10,081	7,786
38,700	38,750	9,408	7,083	10,099	7,804
38,750	38,800	9,425	7,097	10,116	7,821
38,800	38,850	9,443	7,111	10,134	7,839
38,850	38,900	9,460	7,125	10,151	7,856
38,900	38,950	9,478	7,139	10,169	7,874
38,950	39,000	9,495	7,153	10,186	7,891
39,000					
39,000	39,050	9,513	7,167	10,204	7,909
39,050	39,100	9,530	7,181	10,221	7,926
39,100	39,150	9,548	7,195	10,239	7,944
39,150	39,200	9,565	7,209	10,256	7,961
39,200	39,250	9,583	7,223	10,274	7,979
39,250	39,300	9,600	7,237	10,291	7,996
39,300	39,350	9,618	7,251	10,309	8,014
39,350	39,400	9,635	7,265	10,326	8,031
39,400	39,450	9,653	7,279	10,344	8,049
39,450	39,500	9,670	7,293	10,361	8,066
39,500	39,550	9,688	7,307	10,379	8,084
39,550	39,600	9,705	7,321	10,396	8,101
39,600	39,650	9,723	7,335	10,414	8,119
39,650	39,700	9,740	7,349	10,431	8,136
39,700	39,750	9,758	7,363	10,449	8,154
39,750	39,800	9,775	7,377	10,466	8,171
39,800	39,850	9,793	7,391	10,484	8,189
39,850	39,900	9,810	7,405	10,501	8,206
39,900	39,950	9,828	7,419	10,519	8,224
39,950	40,000	9,845	7,433	10,536	8,241
40,000					
40,000	40,050	9,863	7,447	10,554	8,259
40,050	40,100	9,880	7,461	10,571	8,276
40,100	40,150	9,898	7,475	10,589	8,294
40,150	40,200	9,915	7,489	10,606	8,311
40,200	40,250	9,933	7,503	10,624	8,329
40,250	40,300	9,950	7,517	10,641	8,346
40,300	40,350	9,968	7,531	10,659	8,364
40,350	40,400	9,985	7,545	10,676	8,381
40,400	40,450	10,003	7,559	10,694	8,399
40,450	40,500	10,020	7,573	10,711	8,416
40,500	40,550	10,038	7,587	10,729	8,434
40,550	40,600	10,055	7,601	10,746	8,451
40,600	40,650	10,073	7,615	10,764	8,469
40,650	40,700	10,090	7,629	10,781	8,486
40,700	40,750	10,108	7,643	10,799	8,504
40,750	40,800	10,125	7,657	10,816	8,521
40,800	40,850	10,143	7,671	10,834	8,539
40,850	40,900	10,160	7,685	10,851	8,556
40,900	40,950	10,178	7,699	10,869	8,574
40,950	41,000	10,195	7,713	10,886	8,591

* This column must also be used by a qualifying widow(er)

Continued on next page

1987 Tax Table—*Continued*

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a house hold
		Your tax is—			
41,000					
41,000	41,050	10,213	7,727	10,904	8,609
41,050	41,100	10,230	7,741	10,921	8,626
41,100	41,150	10,248	7,755	10,939	8,644
41,150	41,200	10,265	7,769	10,956	8,661
41,200	41,250	10,283	7,783	10,974	8,679
41,250	41,300	10,300	7,797	10,991	8,696
41,300	41,350	10,318	7,811	11,009	8,714
41,350	41,400	10,335	7,825	11,026	8,731
41,400	41,450	10,353	7,839	11,044	8,749
41,450	41,500	10,370	7,853	11,061	8,766
41,500	41,550	10,388	7,867	11,079	8,784
41,550	41,600	10,405	7,881	11,096	8,801
41,600	41,650	10,423	7,895	11,114	8,819
41,650	41,700	10,440	7,909	11,131	8,836
41,700	41,750	10,458	7,923	11,149	8,854
41,750	41,800	10,475	7,937	11,166	8,871
41,800	41,850	10,493	7,951	11,184	8,889
41,850	41,900	10,510	7,965	11,201	8,906
41,900	41,950	10,528	7,979	11,219	8,924
41,950	42,000	10,545	7,993	11,236	8,941
42,000					
42,000	42,050	10,563	8,007	11,254	8,959
42,050	42,100	10,580	8,021	11,271	8,976
42,100	42,150	10,598	8,035	11,289	8,994
42,150	42,200	10,615	8,049	11,306	9,011
42,200	42,250	10,633	8,063	11,324	9,029
42,250	42,300	10,650	8,077	11,341	9,046
42,300	42,350	10,668	8,091	11,359	9,064
42,350	42,400	10,685	8,105	11,376	9,081
42,400	42,450	10,703	8,119	11,394	9,099
42,450	42,500	10,720	8,133	11,411	9,116
42,500	42,550	10,738	8,147	11,429	9,134
42,550	42,600	10,755	8,161	11,446	9,151
42,600	42,650	10,773	8,175	11,464	9,169
42,650	42,700	10,790	8,189	11,481	9,186
42,700	42,750	10,808	8,203	11,499	9,204
42,750	42,800	10,825	8,217	11,516	9,221
42,800	42,850	10,843	8,231	11,534	9,239
42,850	42,900	10,860	8,245	11,551	9,256
42,900	42,950	10,878	8,259	11,569	9,274
42,950	43,000	10,895	8,273	11,586	9,291
43,000					
43,000	43,050	10,913	8,287	11,604	9,309
43,050	43,100	10,930	8,301	11,621	9,326
43,100	43,150	10,948	8,315	11,639	9,344
43,150	43,200	10,965	8,329	11,656	9,361
43,200	43,250	10,983	8,343	11,674	9,379
43,250	43,300	11,000	8,357	11,691	9,396
43,300	43,350	11,018	8,371	11,709	9,414
43,350	43,400	11,035	8,385	11,726	9,431
43,400	43,450	11,053	8,399	11,744	9,449
43,450	43,500	11,070	8,413	11,761	9,466
43,500	43,550	11,088	8,427	11,779	9,484
43,550	43,600	11,105	8,441	11,796	9,501
43,600	43,650	11,123	8,455	11,814	9,519
43,650	43,700	11,140	8,469	11,831	9,536
43,700	43,750	11,158	8,483	11,849	9,554
43,750	43,800	11,175	8,497	11,866	9,571
43,800	43,850	11,193	8,511	11,884	9,589
43,850	43,900	11,210	8,525	11,901	9,606
43,900	43,950	11,228	8,539	11,919	9,624
43,950	44,000	11,245	8,553	11,936	9,641

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a house hold
		Your tax is—			
44,000					
44,000	44,050	11,263	8,567	11,954	9,659
44,050	44,100	11,280	8,581	11,971	9,676
44,100	44,150	11,298	8,595	11,989	9,694
44,150	44,200	11,315	8,609	12,006	9,711
44,200	44,250	11,333	8,623	12,024	9,729
44,250	44,300	11,350	8,637	12,041	9,746
44,300	44,350	11,368	8,651	12,059	9,764
44,350	44,400	11,385	8,665	12,076	9,781
44,400	44,450	11,403	8,679	12,094	9,799
44,450	44,500	11,420	8,693	12,111	9,816
44,500	44,550	11,438	8,707	12,129	9,834
44,550	44,600	11,455	8,721	12,146	9,851
44,600	44,650	11,473	8,735	12,164	9,869
44,650	44,700	11,490	8,749	12,181	9,886
44,700	44,750	11,508	8,763	12,199	9,904
44,750	44,800	11,525	8,777	12,216	9,921
44,800	44,850	11,543	8,791	12,234	9,939
44,850	44,900	11,560	8,805	12,251	9,956
44,900	44,950	11,578	8,819	12,269	9,974
44,950	45,000	11,595	8,833	12,286	9,991
45,000					
45,000	45,050	11,613	8,849	12,305	10,009
45,050	45,100	11,630	8,866	12,324	10,026
45,100	45,150	11,648	8,884	12,343	10,044
45,150	45,200	11,665	8,901	12,362	10,061
45,200	45,250	11,683	8,919	12,382	10,079
45,250	45,300	11,700	8,936	12,401	10,096
45,300	45,350	11,718	8,954	12,420	10,114
45,350	45,400	11,735	8,971	12,439	10,131
45,400	45,450	11,753	8,989	12,459	10,149
45,450	45,500	11,770	9,006	12,478	10,166
45,500	45,550	11,788	9,024	12,497	10,184
45,550	45,600	11,805	9,041	12,516	10,201
45,600	45,650	11,823	9,059	12,536	10,219
45,650	45,700	11,840	9,076	12,555	10,236
45,700	45,750	11,858	9,094	12,574	10,254
45,750	45,800	11,875	9,111	12,593	10,271
45,800	45,850	11,893	9,129	12,613	10,289
45,850	45,900	11,910	9,146	12,632	10,306
45,900	45,950	11,928	9,164	12,651	10,324
45,950	46,000	11,945	9,181	12,670	10,341
46,000					
46,000	46,050	11,963	9,199	12,690	10,359
46,050	46,100	11,980	9,216	12,709	10,376
46,100	46,150	11,998	9,234	12,728	10,394
46,150	46,200	12,015	9,251	12,747	10,411
46,200	46,250	12,033	9,269	12,767	10,429
46,250	46,300	12,050	9,286	12,786	10,446
46,300	46,350	12,068	9,304	12,805	10,464
46,350	46,400	12,085	9,321	12,824	10,481
46,400	46,450	12,103	9,339	12,844	10,499
46,450	46,500	12,120	9,356	12,863	10,516
46,500	46,550	12,138	9,374	12,882	10,534
46,550	46,600	12,155	9,391	12,901	10,551
46,600	46,650	12,173	9,409	12,921	10,569
46,650	46,700	12,190	9,426	12,940	10,586
46,700	46,750	12,208	9,444	12,959	10,604
46,750	46,800	12,225	9,461	12,978	10,621
46,800	46,850	12,243	9,479	12,998	10,639
46,850	46,900	12,260	9,496	13,017	10,656
46,900	46,950	12,278	9,514	13,036	10,674
46,950	47,000	12,295	9,531	13,055	10,691

If line 36 (taxable income) is— At least	But less than	And you are— Single	Married filing jointly *	Married filing separately	Head of a house hold
		Your tax is—			
47,000					
47,000	47,050	12,313	9,549	13,075	10,709
47,050	47,100	12,330	9,566	13,094	10,726
47,100	47,150	12,348	9,584	13,113	10,744
47,150	47,200	12,365	9,601	13,132	10,761
47,200	47,250	12,383	9,619	13,152	10,779
47,250	47,300	12,400	9,636	13,171	10,796
47,300	47,350	12,418	9,654	13,190	10,814
47,350	47,400	12,435	9,671	13,209	10,831
47,400	47,450	12,453	9,689	13,229	10,849
47,450	47,500	12,470	9,706	13,248	10,866
47,500	47,550	12,488	9,724	13,267	10,884
47,550	47,600	12,505	9,741	13,286	10,901
47,600	47,650	12,523	9,759	13,306	10,919
47,650	47,700	12,540	9,776	13,325	10,936
47,700	47,750	12,558	9,794	13,344	10,954
47,750	47,800	12,575	9,811	13,363	10,971
47,800	47,850	12,593	9,829	13,383	10,989
47,850	47,900	12,610	9,846	13,402	11,006
47,900	47,950	12,628	9,864	13,421	11,024
47,950	48,000	12,645	9,881	13,440	11,041
48,000					
48,000	48,050	12,663	9,899	13,460	11,059
48,050	48,100	12,680	9,916	13,479	11,076
48,100	48,150	12,698	9,934	13,498	11,094
48,150	48,200	12,715	9,951	13,517	11,111
48,200	48,250	12,733	9,969	13,537	11,129
48,250	48,300	12,750	9,986	13,556	11,146
48,300	48,350	12,768	10,004	13,575	11,164
48,350	48,400	12,785	10,021	13,594	11,181
48,400	48,450	12,803	10,039	13,614	11,199
48,450	48,500	12,820	10,056	13,633	11,216
48,500	48,550	12,838	10,074	13,652	11,234
48,550	48,600	12,855	10,091	13,671	11,251
48,600	48,650	12,873	10,109	13,691	11,269
48,650	48,700	12,890	10,126	13,710	11,286
48,700	48,750	12,908	10,144	13,729	11,304
48,750	48,800	12,925	10,161	13,748	11,321
48,800	48,850	12,943	10,179	13,768	11,339
48,850	48,900	12,960	10,196	13,787	11,356
48,900	48,950	12,978	10,214	13,806	11,374
48,950	49,000	12,995	10,231	13,825	11,391
49,000					
49,000	49,050	13,013	10,249	13,845	11,409
49,050	49,100	13,030	10,266	13,864	11,426
49,100	49,150	13,048	10,284	13,883	11,444
49,150	49,200	13,065	10,301	13,902	11,461
49,200	49,250	13,083	10,319	13,922	11,479
49,250	49,300	13,100	10,336	13,941	11,496
49,300	49,350	13,118	10,354	13,960	11,514
49,350	49,400	13,135	10,371	13,979	11,531
49,400	49,450	13,153	10,389	13,999	11,549
49,450	49,500	13,170	10,406	14,018	11,566
49,500	49,550	13,188	10,424	14,037	11,584
49,550	49,600	13,205	10,441	14,056	11,601
49,600	49,650	13,223	10,459	14,076	11,619
49,650	49,700	13,240	10,476	14,095	11,636
49,700	49,750	13,258	10,494	14,114	11,654
49,750	49,800	13,275	10,511	14,133	11,671
49,800	49,850	13,293	10,529	14,153	11,689
49,850	49,900	13,310	10,546	14,172	11,706
49,900	49,950	13,328	10,564	14,191	11,724
49,950	50,000	13,345	10,581	14,210	11,741

* This column must also be used by a qualifying widow(er).

50,000 or over—use tax rate schedules

1987 Tax Rate Schedules

Caution: You may use these schedules **ONLY** if your taxable income (Form 1040, line 36) is $50,000 or more

Example: Mr. Jones is single. His taxable income on Form 1040, line 36, is $53,525. First, he finds the schedule (Schedule X) for single taxpayers. Next, he finds the $27,000–54,000 income line. Then, he subtracts $27,000 from $53,525 and multiplies the result ($26,525) by 35%. He then adds $9,283.75 ($26,525 × .35) to $5,304 and enters the result ($14,587.75) on Form 1040, line 37.

Schedule X—Single Taxpayers

Use this schedule if you checked **Filing Status Box 1** on Form 1040—

If the amount on Form 1040, line 36 is Over—	But not over—	Enter on Form 1040, line 37	of the amount over—
$0	$1,800	11%	$0
1,800	16,800	$198 + 15%	1,800
16,800	27,000	2,448 + 28%	16,800
27,000	54,000	5,304 + 35%	27,000
54,000		14,754 + 38.5%	54,000

Schedule Z—Heads of Household

(including certain married persons who live apart—see page 7 of the Instructions)

Use this schedule if you checked **Filing Status Box 4** on Form 1040—

If the amount on Form 1040, line 36 is Over—	But not over—	Enter on Form 1040, line 37	of the amount over—
$0	$2,500	11%	$0
2,500	23,000	$275 + 15%	2,500
23,000	38,000	3,350 + 28%	23,000
38,000	80,000	7,550 + 35%	38,000
80,000		22,250 + 38.5%	80,000

Schedule Y—Married Taxpayers and Qualifying Widows and Widowers

Married Filing Joint Returns and Qualifying Widows and Widowers

Use this schedule if you checked **Filing Status Box 2 or 5** on Form 1040—

If the amount on Form 1040, line 36 is Over—	But not over—	Enter on Form 1040, line 37	of the amount over—
$0	$3,000	11%	$0
3,000	28,000	$330 + 15%	3,000
28,000	45,000	4,080 + 28%	28,000
45,000	90,000	8,840 + 35%	45,000
90,000		24,590 + 38.5%	90,000

Married Filing Separate Returns

Use this schedule if you checked **Filing Status Box 3** on Form 1040—

If the amount on Form 1040, line 36 is Over—	But not over—	Enter on Form 1040, line 37	of the amount over—
$0	$1,500	11%	$0
1,500	14,000	$165 + 15%	1,500
14,000	22,500	2,040 + 28%	14,000
22,500	45,000	4,420 + 35%	22,500
45,000		12,295 + 38.5%	45,000

1987 Earned Income Credit Table

Caution: This Is Not a Tax Table

To find your earned income credit: Read down the column titled "If line 3 or 4 of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 19. Read across to the right and find the amount of the earned income credit. Enter that amount on line 5 or 6 of the worksheet, whichever applies.

If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—
$0	$25	$2	$1,600	$1,625	$226	$3,200	$3,225	$450	$4,800	$4,825	$674	$7,225	$7,250	$819
25	50	5	1,625	1,650	229	3,225	3,250	453	4,825	4,850	677	7,250	7,275	817
50	75	9	1,650	1,675	233	3,250	3,275	457	4,850	4,875	681	7,275	7,300	814
75	100	12	1,675	1,700	236	3,275	3,300	460	4,875	4,900	684	7,300	7,325	812
100	125	16	1,700	1,725	240	3,300	3,325	464	4,900	4,925	688	7,325	7,350	809
125	150	19	1,725	1,750	243	3,325	3,350	467	4,925	4,950	691	7,350	7,375	807
150	175	23	1,750	1,775	247	3,350	3,375	471	4,950	4,975	695	7,375	7,400	804
175	200	26	1,775	1,800	250	3,375	3,400	474	4,975	5,000	698	7,400	7,425	802
200	225	30	1,800	1,825	254	3,400	3,425	478	5,000	5,025	702	7,425	7,450	799
225	250	33	1,825	1,850	257	3,425	3,450	481	5,025	5,050	705	7,450	7,475	797
250	275	37	1,850	1,875	261	3,450	3,475	485	5,050	5,075	709	7,475	7,500	794
275	300	40	1,875	1,900	264	3,475	3,500	488	5,075	5,100	712	7,500	7,525	792
300	325	44	1,900	1,925	268	3,500	3,525	492	5,100	5,125	716	7,525	7,550	789
325	350	47	1,925	1,950	271	3,525	3,550	495	5,125	5,150	719	7,550	7,575	787
350	375	51	1,950	1,975	275	3,550	3,575	499	5,150	5,175	723	7,575	7,600	784
375	400	54	1,975	2,000	278	3,575	3,600	502	5,175	5,200	726	7,600	7,625	782
400	425	58	2,000	2,025	282	3,600	3,625	506	5,200	5,225	730	7,625	7,650	779
425	450	61	2,025	2,050	285	3,625	3,650	509	5,225	5,250	733	7,650	7,675	777
450	475	65	2,050	2,075	289	3,650	3,675	513	5,250	5,275	737	7,675	7,700	774
475	500	68	2,075	2,100	292	3,675	3,700	516	5,275	5,300	740	7,700	7,725	772
500	525	72	2,100	2,125	296	3,700	3,725	520	5,300	5,325	744	7,725	7,750	769
525	550	75	2,125	2,150	299	3,725	3,750	523	5,325	5,350	747	7,750	7,775	767
550	575	79	2,150	2,175	303	3,750	3,775	527	5,350	5,375	751	7,775	7,800	764
575	600	82	2,175	2,200	306	3,775	3,800	530	5,375	5,400	754	7,800	7,825	762
600	625	86	2,200	2,225	310	3,800	3,825	534	5,400	5,425	758	7,825	7,850	759
625	650	89	2,225	2,250	313	3,825	3,850	537	5,425	5,450	761	7,850	7,875	757
650	675	93	2,250	2,275	317	3,850	3,875	541	5,450	5,475	765	7,875	7,900	754
675	700	96	2,275	2,300	320	3,875	3,900	544	5,475	5,500	768	7,900	7,925	752
700	725	100	2,300	2,325	324	3,900	3,925	548	5,500	5,525	772	7,925	7,950	749
725	750	103	2,325	2,350	327	3,925	3,950	551	5,525	5,550	775	7,950	7,975	747
750	775	107	2,350	2,375	331	3,950	3,975	555	5,550	5,575	779	7,975	8,000	744
775	800	110	2,375	2,400	334	3,975	4,000	558	5,575	5,600	782	8,000	8,025	742
800	825	114	2,400	2,425	338	4,000	4,025	562	5,600	5,625	786	8,025	8,050	739
825	850	117	2,425	2,450	341	4,025	4,050	565	5,625	5,650	789	8,050	8,075	737
850	875	121	2,450	2,475	345	4,050	4,075	569	5,650	5,675	793	8,075	8,100	734
875	900	124	2,475	2,500	348	4,075	4,100	572	5,675	5,700	796	8,100	8,125	732
900	925	128	2,500	2,525	352	4,100	4,125	576	5,700	5,725	800	8,125	8,150	729
925	950	131	2,525	2,550	355	4,125	4,150	579	5,725	5,750	803	8,150	8,175	727
950	975	135	2,550	2,575	359	4,150	4,175	583	5,750	5,775	807	8,175	8,200	724
975	1,000	138	2,575	2,600	362	4,175	4,200	586	5,775	5,800	810	8,200	8,225	722
1,000	1,025	142	2,600	2,625	366	4,200	4,225	590	5,800	5,825	814	8,225	8,250	719
1,025	1,050	145	2,625	2,650	369	4,225	4,250	593	5,825	5,850	817	8,250	8,275	717
1,050	1,075	149	2,650	2,675	373	4,250	4,275	597	5,850	5,875	821	8,275	8,300	714
1,075	1,100	152	2,675	2,700	376	4,275	4,300	600	5,875	5,900	824	8,300	8,325	712
1,100	1,125	156	2,700	2,725	380	4,300	4,325	604	5,900	5,925	828	8,325	8,350	709
1,125	1,150	159	2,725	2,750	383	4,325	4,350	607	5,925	5,950	831	8,350	8,375	707
1,150	1,175	163	2,750	2,775	387	4,350	4,375	611	5,950	5,975	835	8,375	8,400	704
1,175	1,200	166	2,775	2,800	390	4,375	4,400	614	5,975	6,000	838	8,400	8,425	702
1,200	1,225	170	2,800	2,825	394	4,400	4,425	618	6,000	6,025	842	8,425	8,450	699
1,225	1,250	173	2,825	2,850	397	4,425	4,450	621	6,025	6,050	845	8,450	8,475	697
1,250	1,275	177	2,850	2,875	401	4,450	4,475	625	6,050	6,075	849	8,475	8,500	694
1,275	1,300	180	2,875	2,900	404	4,475	4,500	628	6,075	6,925	851	8,500	8,525	692
1,300	1,325	184	2,900	2,925	408	4,500	4,525	632	6,925	6,950	849	8,525	8,550	689
1,325	1,350	187	2,925	2,950	411	4,525	4,550	635	6,950	6,975	847	8,550	8,575	687
1,350	1,375	191	2,950	2,975	415	4,550	4,575	639	6,975	7,000	844	8,575	8,600	684
1,375	1,400	194	2,975	3,000	418	4,575	4,600	642	7,000	7,025	842	8,600	8,625	682
1,400	1,425	198	3,000	3,025	422	4,600	4,625	646	7,025	7,050	839	8,625	8,650	679
1,425	1,450	201	3,025	3,050	425	4,625	4,650	649	7,050	7,075	837	8,650	8,675	677
1,450	1,475	205	3,050	3,075	429	4,650	4,675	653	7,075	7,100	834	8,675	8,700	674
1,475	1,500	208	3,075	3,100	432	4,675	4,700	656	7,100	7,125	832	8,700	8,725	672
1,500	1,525	212	3,100	3,125	436	4,700	4,725	660	7,125	7,150	829	8,725	8,750	669
1,525	1,550	215	3,125	3,150	439	4,725	4,750	663	7,150	7,175	827	8,750	8,775	667
1,550	1,575	219	3,150	3,175	443	4,750	4,775	667	7,175	7,200	824	8,775	8,800	664
1,575	1,600	222	3,175	3,200	446	4,775	4,800	670	7,200	7,225	822	8,800	8,825	662

1987 Earned Income Credit Table—*Continued*

If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—	If line 3 or 4 of the worksheet is— At least	But less than	Your earned income credit is—
$8,825	$8,850	$659	$10,225	$10,250	$519	$11,625	$11,650	$379	$13,025	$13,050	$239	$14,425	$14,450	$99
8,850	8,875	657	10,250	10,275	517	11,650	11,675	377	13,050	13,075	237	14,450	14,475	97
8,875	8,900	654	10,275	10,300	514	11,675	11,700	374	13,075	13,100	234	14,475	14,500	94
8,900	8,925	652	10,300	10,325	512	11,700	11,725	372	13,100	13,125	232	14,500	14,525	92
8,925	8,950	649	10,325	10,350	509	11,725	11,750	369	13,125	13,150	229	14,525	14,550	89
8,950	8,975	647	10,350	10,375	507	11,750	11,775	367	13,150	13,175	227	14,550	14,575	87
8,975	9,000	644	10,375	10,400	504	11,775	11,800	364	13,175	13,200	224	14,575	14,600	84
9,000	9,025	642	10,400	10,425	502	11,800	11,825	362	13,200	13,225	222	14,600	14,625	82
9,025	9,050	639	10,425	10,450	499	11,825	11,850	359	13,225	13,250	219	14,625	14,650	79
9,050	9,075	637	10,450	10,475	497	11,850	11,875	357	13,250	13,275	217	14,650	14,675	77
9,075	9,100	634	10,475	10,500	494	11,875	11,900	354	13,275	13,300	214	14,675	14,700	74
9,100	9,125	632	10,500	10,525	492	11,900	11,925	352	13,300	13,325	212	14,700	14,725	72
9,125	9,150	629	10,525	10,550	489	11,925	11,950	349	13,325	13,350	209	14,725	14,750	69
9,150	9,175	627	10,550	10,575	487	11,950	11,975	347	13,350	13,375	207	14,750	14,775	67
9,175	9,200	624	10,575	10,600	484	11,975	12,000	344	13,375	13,400	204	14,775	14,800	64
9,200	9,225	622	10,600	10,625	482	12,000	12,025	342	13,400	13,425	202	14,800	14,825	62
9,225	9,250	619	10,625	10,650	479	12,025	12,050	339	13,425	13,450	199	14,825	14,850	59
9,250	9,275	617	10,650	10,675	477	12,050	12,075	337	13,450	13,475	197	14,850	14,875	57
9,275	9,300	614	10,675	10,700	474	12,075	12,100	334	13,475	13,500	194	14,875	14,900	54
9,300	9,325	612	10,700	10,725	472	12,100	12,125	332	13,500	13,525	192	14,900	14,925	52
9,325	9,350	609	10,725	10,750	469	12,125	12,150	329	13,525	13,550	189	14,925	14,950	49
9,350	9,375	607	10,750	10,775	467	12,150	12,175	327	13,550	13,575	187	14,950	14,975	47
9,375	9,400	604	10,775	10,800	464	12,175	12,200	324	13,575	13,600	184	14,975	15,000	44
9,400	9,425	602	10,800	10,825	462	12,200	12,225	322	13,600	13,625	182	15,000	15,025	42
9,425	9,450	599	10,825	10,850	459	12,225	12,250	319	13,625	13,650	179	15,025	15,050	39
9,450	9,475	597	10,850	10,875	457	12,250	12,275	317	13,650	13,675	177	15,050	15,075	37
9,475	9,500	594	10,875	10,900	454	12,275	12,300	314	13,675	13,700	174	15,075	15,100	34
9,500	9,525	592	10,900	10,925	452	12,300	12,325	312	13,700	13,725	172	15,100	15,125	32
9,525	9,550	589	10,925	10,950	449	12,325	12,350	309	13,725	13,750	169	15,125	15,150	29
9,550	9,575	587	10,950	10,975	447	12,350	12,375	307	13,750	13,775	167	15,150	15,175	27
9,575	9,600	584	10,975	11,000	444	12,375	12,400	304	13,775	13,800	164	15,175	15,200	24
9,600	9,625	582	11,000	11,025	442	12,400	12,425	302	13,800	13,825	162	15,200	15,225	22
9,625	9,650	579	11,025	11,050	439	12,425	12,450	299	13,825	13,850	159	15,225	15,250	19
9,650	9,675	577	11,050	11,075	437	12,450	12,475	297	13,850	13,875	157	15,250	15,275	17
9,675	9,700	574	11,075	11,100	434	12,475	12,500	294	13,875	13,900	154	15,275	15,300	14
9,700	9,725	572	11,100	11,125	432	12,500	12,525	292	13,900	13,925	152	15,300	15,325	12
9,725	9,750	569	11,125	11,150	429	12,525	12,550	289	13,925	13,950	149	15,325	15,350	9
9,750	9,775	567	11,150	11,175	427	12,550	12,575	287	13,950	13,975	147	15,350	15,375	7
9,775	9,800	564	11,175	11,200	424	12,575	12,600	284	13,975	14,000	144	15,375	15,400	4
9,800	9,825	562	11,200	11,225	422	12,600	12,625	282	14,000	14,025	142	15,400	15,425	2
9,825	9,850	559	11,225	11,250	419	12,625	12,650	279	14,025	14,050	139	15,425	15,432	1
9,850	9,875	557	11,250	11,275	417	12,650	12,675	277	14,050	14,075	137	$15,432 or more—you cannot take the credit		
9,875	9,900	554	11,275	11,300	414	12,675	12,700	274	14,075	14,100	134			
9,900	9,925	552	11,300	11,325	412	12,700	12,725	272	14,100	14,125	132			
9,925	9,950	549	11,325	11,350	409	12,725	12,750	269	14,125	14,150	129			
9,950	9,975	547	11,350	11,375	407	12,750	12,775	267	14,150	14,175	127			
9,975	10,000	544	11,375	11,400	404	12,775	12,800	264	14,175	14,200	124			
10,000	10,025	542	11,400	11,425	402	12,800	12,825	262	14,200	14,225	122			
10,025	10,050	539	11,425	11,450	399	12,825	12,850	259	14,225	14,250	119			
10,050	10,075	537	11,450	11,475	397	12,850	12,875	257	14,250	14,275	117			
10,075	10,100	534	11,475	11,500	394	12,875	12,900	254	14,275	14,300	114			
10,100	10,125	532	11,500	11,525	392	12,900	12,925	252	14,300	14,325	112			
10,125	10,150	529	11,525	11,550	389	12,925	12,950	249	14,325	14,350	109			
10,150	10,175	527	11,550	11,575	387	12,950	12,975	247	14,350	14,375	107			
10,175	10,200	524	11,575	11,600	384	12,975	13,000	244	14,375	14,400	104			
10,200	10,225	522	11,600	11,625	382	13,000	13,025	242	14,400	14,425	102			

Tele-Tax

Automated Refund Information is available after March 15. If it has been 10 weeks since you mailed your 1987 tax return, we will be able to check the status of your refund.

Recorded Tax Information has about 150 topics of tax information that answer many Federal tax questions and a topic for local information such as the location of volunteer tax assistance sites (VITA and TCE). You can hear up to three topics on each call you make.

To Call Tele-Tax Toll-Free, Use Only the Numbers Listed Below for Your Area.

Long-distance charges apply if you call from outside the local dialing area of the numbers listed below. **Do not dial 800 when using a local number.** A complete list of these topics is on the next page.

How To Use Tele-Tax

Automated Refund Information

1 **Have a copy of your tax return available since you will need to know the first social security number shown on your return, the filing status, and the exact amount of your refund.**

2 Call the appropriate phone number listed below.

3 Follow the recorded instructions.

4 • Push-button (tone signaling) service is available Monday through Friday from 6:30 A.M. to 6 P.M. (Hours may vary in your area.)

• Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours. (In Hawaii, from 6:30 A.M. to 1:00 P.M.)

Recorded Tax Information

1 Select, by number, the topic you wish to hear.

2 Have paper and pencil handy to take notes.

3 Call the appropriate phone number listed below.

4 • If you have a push-button (tone signaling) phone, follow the recorded instructions, or

• If you have a rotary (dial) or push-button (pulse dial) phone, ask the IRS operator for the topic number you want to hear.

5 • Push-button (tone signaling) service is available 24 hours a day, 7 days a week.

• Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours. (In Hawaii, from 6:30 A.M. to 1:00 P.M.)

ALABAMA
1-800-554-4477

ALASKA
1-800-554-4477

ARIZONA
Phoenix, 252-4909
Elsewhere,
1-800-554-4477

ARKANSAS
1-800-554-4477

CALIFORNIA
Counties of Amador, Calaveras, Contra Costa, Marin, and San Joaquin,
1-800-428-4032
Los Angeles, 617-3177
Oakland, 839-4245
Elsewhere,
1-800-554-4477

COLORADO
Denver, 592-1118
Elsewhere,
1-800-554-4477

CONNECTICUT
1-800-554-4477

DELAWARE
1-800-554-4477

DISTRICT of COLUMBIA
628-2929

FLORIDA
Jacksonville, 353-9579
Elsewhere,
1-800-554-4477

GEORGIA
Atlanta, 331-6572
Elsewhere,
1-800-554-4477

HAWAII
1-800-554-4477

IDAHO
1-800-554-4477

ILLINOIS
Chicago, 829-6397
Springfield, 789-0489
Elsewhere,
1-800-554-4477

INDIANA
Indianapolis, 634-1550
Elsewhere,
1-800-554-4477

IOWA
1-800-554-4477

KANSAS
1-800-554-4477

KENTUCKY
1-800-554-4477

LOUISIANA
1-800-554-4477

MAINE
1-800-554-4477

MARYLAND
Baltimore, 244-7306
Elsewhere,
1-800-554-4477

MASSACHUSETTS
Boston, 523-8602
Elsewhere,
1-800-554-4477

MICHIGAN
Detroit, 961-4282
Elsewhere,
1-800-554-4477

MINNESOTA
St. Paul, 224-4288
Elsewhere,
1-800-554-4477

MISSISSIPPI
1-800-554-4477

MISSOURI
St. Louis, 241-4700
Elsewhere,
1-800-554-4477

MONTANA
1-800-554-4477

NEBRASKA
Omaha, 221-3324
Elsewhere,
1-800-554-4477

NEVADA
1-800-554-4477

NEW HAMPSHIRE
1-800-554-4477

NEW JERSEY
Newark, 624-1223
Elsewhere,
1-800-554-4477

NEW MEXICO
1-800-554-4477

NEW YORK
Brooklyn, 858-4461
Buffalo, 856-9320
Manhattan, 406-4080
Queens, 858-4461
Staten Island, 858-4461
Elsewhere,
1-800-554-4477

NORTH CAROLINA
1-800-554-4477

NORTH DAKOTA
1-800-554-4477

OHIO
Cincinnati, 421-0329
Cleveland, 522-3037
Elsewhere,
1-800-554-4477

OKLAHOMA
1-800-554-4477

OREGON
Portland, 294-5363
Elsewhere,
1-800-554-4477

PENNSYLVANIA
Philadelphia, 592-8946
Pittsburgh, 281-3120
Elsewhere,
1-800-554-4477

RHODE ISLAND
1-800-554-4477

SOUTH CAROLINA
1-800-554-4477

SOUTH DAKOTA
1-800-554-4477

TENNESSEE
Nashville, 242-1541
Elsewhere,
1-800-554-4477

TEXAS
Dallas, 767-1792
Houston, 850-8801
Elsewhere,
1-800-554-4477

UTAH
1-800-554-4477

VERMONT
1-800-554-4477

VIRGINIA
Richmond, 771-2369
Elsewhere,
1-800-554-4477

WASHINGTON
Seattle, 343-7221
Elsewhere,
1-800-554-4477

WEST VIRGINIA
1-800-554-4477

WISCONSIN
Milwaukee, 291-1783
Elsewhere,
1-800-554-4477

WYOMING
1-800-554-4477

Tele-Tax Topic Numbers and Subjects

Topic No	Subject
	IRS Procedures and Services
101	IRS help available—Volunteer tax assistance programs, toll free telephone, walk-in assistance, and outreach program
102	Tax assistance for handicapped individuals and the deaf
103	Small business tax workshops—Tax help for new businesses
104	Problem resolution program—Special help for problem situations
105	Public libraries—Tax information tapes and reproducible tax forms
106	Examination procedures and how to prepare for an audit
107	The collection process
108	Tax fraud—How to report
109	Special enrollment examination to practice before IRS
110	Organizations—How to apply for exempt status
111	Audit appeal rights
112	Electronic filing
999	Local information
	Filing Requirements, Filing Status, Exemptions
151	Who must file?
152	Which form—1040, 1040A, or 1040EZ?
153	When, where, and how to file
154	Filing requirements for a dependent child
155	Filing as single
156	Filing joint or separate
157	Filing as head of household
158	Filing as qualifying widow, widower
159	Filing status for separated individuals
160	Dependent—Who can be claimed?
161	Dependent child—Divorced or separated parents
162	Dependent—Items to determine support
163	Estimated tax
164	Amended returns
165	Decedents
166	Deduction for age/blindness
	Types of Income
201	Wages and salaries
202	Tips
203	Interest received
204	Dividends
205	Refund of state and local taxes
206	Alimony received
207	Business income
208	Sole proprietorship
209	Capital gains and losses
210	Pensions and annuities
211	Pensions—The general rule
212	Lump-sum distributions—Profit-sharing plans
213	Rental income and expenses
214	Renting vacation property/Renting to relatives
215	Royalties
216	Farming and fishing income
217	Earnings for clergy
218	Unemployment compensation
219	Gambling income and expenses
220	Bartering income
221	Scholarships, fellowships, and grants
222	Nontaxable income
223	Social security and tier 1 railroad retirement taxability
224	Social Security Benefit Statement—Form SSA 1099
225	401(K) plans
226	Passive activities/Losses/Credits
	Adjustments to Income
251	Employee business expenses
252	Individual retirement arrangements (IRAs)
253	Alimony paid
254	Bad debt deduction
255	Tax shelters
	Itemized Deductions
301	Should I itemize?
302	Medical and dental expenses
303	Taxes
304	Moving expenses
305	Interest expense
306	Contributions
307	Casualty losses
308	Miscellaneous expenses
309	Business use of home
310	Business use of car
311	Business travel expenses
312	Business entertainment expenses
313	Educational expenses
	Tax Computation
351	Tax table/Tax rate schedules
352	Tax and credits figured by IRS
353	Self-employment tax
354	Five-year averaging for lump-sum distributions
355	Alternative minimum tax
356	Gift tax
357	Estate tax
358	Standard deduction
	Tax Credits
401	Child care credit
402	Earned income credit
403	Credit for the elderly or for the permanently and totally disabled
	General Information
451	Substitute tax forms
452	Highlights of 1987 tax changes
453	Refunds—How long they should take
454	Copy of your tax return—How to get one
455	Forms/Publications—How to order
456	Tax shelter registration
457	Extensions for time to file your tax return
458	Form W-2—What to do if not received
459	Highlights of 1988 tax changes
460	Penalty for underpayment of estimated tax
461	Recordkeeping
462	How to choose a tax preparer
463	Failure to pay child, spousal support and other Federal obligations
464	Withholding on interest and dividends
465	Highway use tax
466	Checklist/Common errors when preparing your tax return
467	Withholding on pensions and annuities
468	Foreign currency transactions
	IRS Notices and Letters
501	Notices—What to do
502	Your tax form is overdue—Let us hear from you
503	Second request for information about your tax form
504	Notice of intent to levy
505	Notice of underreported income—CP2000
506	IRS notices and bills/Penalty and interest charges
	Basis of Assets, Depreciation, Sale of Assets
551	Sale of personal residence—General
552	Sale of personal residence—How to report gain
553	Sale of personal residence—Exclusion of gain, age 55 and over
554	Basis of assets
555	Depreciation—General
556	Depreciation—Accelerated cost recovery system
557	Installment sales
	Employer Tax Information
601	Social security withholding rates
602	Form W-2—Where, when and how to file
603	Form W-4—Employee's Withholding Allowance Certificate
604	Federal tax deposits—General
605	Employer identification number—How to apply
606	Form 942—Employer's Quarterly Tax Return for Household Employees
607	Form 941—Deposit requirements
608	Form 941—Employer's Quarterly Federal Tax Return
609	Form 940—Deposit requirements
610	Form 940—Employer's Annual Federal Unemployment Tax Return
611	Targeted jobs credit
612	Tips—Withholding and reporting
	Magnetic Media Information
651	Who must file?
652	Acceptable media/Locating a third party to prepare your files
653	Applications, forms, and information
654	Waivers, extensions, and format deviations
655	Test files and combined Federal/State filing
	Tax Information for Aliens and U.S. Citizens Living Abroad
701	Resident and nonresident aliens
702	Dual status alien
703	Alien tax clearance
704	Foreign earned income exclusion—General
705	Foreign earned income exclusion—Who qualifies?
706	Foreign earned income exclusion—What income qualifies?
707	Foreign tax credit
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752	Which form to use?
753	Filing status—Single, married filing jointly, and married filing separately
754	Filing status—Head of household and qualifying widow,' widower
755	Earned income credit
756	Highlights of 1987 tax changes
757	Forms and publications—How to order
758	Alien tax clearance
759	Refunds—How long they should take
760	IRS help available—Volunteer tax assistance programs, toll-free telephone, walk-in assistance, and outreach program
761	Social security and tier 1 railroad retirement taxability
762	Social Security Benefit Statement Form SSA 1099

To Call IRS Toll-Free for Answers to Your Federal Tax Questions, Use Only the Number Listed Below for Your Area.

"Toll-free" is a telephone call for which you pay only local charges with no long-distance charge. Please use a local city number only if it is not a long-distance call for you. ***Do not dial 800 when using a local city number.***

We are happy to answer questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax.

To make sure that IRS employees give courteous responses and correct information to taxpayers, a second IRS employee sometimes listens in on telephone calls. No record is kept of any taxpayer's name, address, or social security number.

If you find it necessary to write instead of call, please address your letter to your IRS District Director for a prompt reply. Make sure you include your social security number or taxpayer identifying number when you write.

The IRS has a telephone service called Tele-Tax. It provides automated refund information and recorded tax information on about 150 topics covering such areas as filing requirements, dependents, itemized deductions, and tax credits. Tele-Tax is available 24 hours a day, 7 days a week, to taxpayers using push-button (tone signaling) telephones, and Monday through Friday, during office hours, to taxpayers using push-button (pulse dial) or rotary (dial) phones. See Tele-Tax Information in the index for the page numbers that contain telephone numbers, available topics, and instructions describing how to use this service.

ALABAMA
1-800-424-1040

ALASKA
Anchorage, 561-7484
Elsewhere, 1-800-424-1040

ARIZONA
Phoenix, 257-1233
Elsewhere, 1-800-424-1040

ARKANSAS
1-800-424-1040

CALIFORNIA
Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Assistance.

COLORADO
Denver, 825-7041
Elsewhere, 1-800-424-1040

CONNECTICUT
1-800-424-1040

DELAWARE
1-800-424-1040

DISTRICT of COLUMBIA
488-3100

FLORIDA
Jacksonville, 354-1760
Elsewhere, 1-800-424-1040

GEORGIA
Atlanta, 522-0050
Elsewhere, 1-800-424-1040

HAWAII
Oahu, 541-1040
Elsewhere, 1-800-424-1040

IDAHO
1-800-424-1040

ILLINOIS
Chicago, 435-1040
Elsewhere, 1-800-424-1040

INDIANA
Indianapolis, 269-5477
Elsewhere, 1-800-424-1040

IOWA
Des Moines, 283-0523
Elsewhere, 1-800-424-1040

KANSAS
1-800-424-1040

KENTUCKY
1-800-424-1040

LOUISIANA
1-800-424-1040

MAINE
1-800-424-1040

MARYLAND
Baltimore, 962-2590
Montgomery County, 488-3100
Prince George's County, 488-3100
Elsewhere, 1-800-424-1040

MASSACHUSETTS
Boston, 523-1040
Elsewhere, 1-800-424-1040

MICHIGAN
Detroit, 237-0800
Elsewhere, 1-800-424-1040

MINNESOTA
Minneapolis, 291-1422
St. Paul, 291-1422
Elsewhere, 1-800-424-1040

MISSISSIPPI
1-800-424-1040

MISSOURI
St. Louis, 342-1040
Elsewhere, 1-800-424-1040

MONTANA
1-800-424-1040

NEBRASKA
Omaha, 422-1500
Elsewhere, 1-800-424-1040

NEVADA
1-800-424-1040

NEW HAMPSHIRE
1-800-424-1040

NEW JERSEY
Newark, 622-0600
Elsewhere, 1-800-424-1040

NEW MEXICO
1-800-424-1040

NEW YORK
Bronx, 732-0100
Brooklyn, 596-3770
Buffalo, 855-3955
Manhattan, 732-0100
Nassau, 222-1131
Queens, 596-3770
Rockland County, 997-1510
Staten Island, 596-3770
Suffolk, 724-5000
Westchester County, 997-1510
Elsewhere, 1-800-424-1040

NORTH CAROLINA
1-800-424-1040

NORTH DAKOTA
1-800-424-1040

OHIO
Cincinnati, 621-6281
Cleveland, 522-3000
Elsewhere, 1-800-424-1040

OKLAHOMA
1-800-424-1040

OREGON
Eugene, 485-8286
Portland, 221-3960
Salem, 581-8721
Elsewhere, 1-800-424-1040

PENNSYLVANIA
Philadelphia, 574-9900
Pittsburgh, 281-0112
Elsewhere, 1-800-424-1040

PUERTO RICO
San Juan Metro Area, 753-4040
Isla Dulce, 753-4549

RHODE ISLAND
1-800-424-1040

SOUTH CAROLINA
1-800-424-1040

SOUTH DAKOTA
1-800-424-1040

TENNESSEE
Nashville, 259-4601
Elsewhere, 1-800-424-1040

TEXAS
Dallas, 742-2440
El Paso, 532-6116
Ft. Worth, 263-9229
Houston, 965-0440
Elsewhere, 1-800-424-1040

UTAH
1-800-424-1040

VERMONT
1-800-424-1040

VIRGINIA
Bailey's Crossroads, 557-9230
Richmond, 649-2361
Elsewhere, 1-800-424-1040

WASHINGTON
Seattle, 442-1040
Elsewhere, 1-800-424-1040

WEST VIRGINIA
1-800-424-1040

WISCONSIN
Milwaukee, 271-3780
Elsewhere, 1-800-424-1040

WYOMING
1-800-424-1040

Telephone Assistance Services for Deaf Taxpayers Who Have Access to TV/Telephone—TTY Equipment.

Indiana residents, 1-800-382-4059

Elsewhere in U.S., including Alaska, Hawaii, Virgin Islands, and Puerto Rico, 1-800-428-4732

Hours of Operation

8:00 A.M. to 6:45 P.M. EST (Jan. 1–April 15)

8:00 A.M. to 4:30 P.M. EST (April 16–Dec. 31)

Need Additional Forms or Publications?

If you do not have any tax questions and you only need tax forms and publications, you can—

- Visit your local bank or post office for Forms 1040, 1040A, 1040EZ and Schedules A&B and their related instructions.
- Visit your local library that stocks a wider variety of forms and publications.
- Visit your local IRS office.
- Use the handy order blank on the next to the last page of the instructions. You should receive the items you order within 2 weeks of the time you mail your request.
- Call our toll-free "Forms Only" number (1-800-424-FORM (3676)). The hours of operation during the filing season are 8:00 A.M. to 8:00 P.M. (Monday–Friday) and 9:00 A.M. to 3:00 P.M. (Saturdays). You should receive your order within 7 to 10 work days after you call.

Notes

How To Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below. Also see list of related publications.

You can order the following items from IRS or get them at many participating banks, post offices, or libraries:

Form 1040, U.S. Individual Income Tax Return
Instructions for Form 1040

Form 1040A
Instructions for Form 1040A

Form 1040EZ
Instructions for Form 1040EZ

Schedule A for itemized deductions

Schedule B for interest income if more than $400; for dividends and other distributions on stock if more than $400; and for answering the Foreign Accounts or Foreign Trusts questions

You can photocopy the following items (as well as those listed above) at many participating libraries or order them from IRS:

Schedule C, Profit or (Loss) From Business or Profession

Schedule D, Capital Gains and Losses and Reconciliation of Forms 1099-B

Schedule E, Supplemental Income Schedule

Schedule F, Farm Income and Expenses

Schedule R, Credit for the Elderly or for the Permanently and Totally Disabled

Schedule SE, Computation of Social Security Self-Employment Tax

Form 1040-ES, Estimated Tax for Individuals

Form 2106, Employee Business Expenses

Form 2119, Sale or Exchange of Principal Residence

Form 2210, Underpayment of Estimated Tax by Individuals

Form 2441, Credit for Child and Dependent Care Expenses

Form 3468, Computation of Investment Credit

Form 3903, Moving Expenses

Form 4136, Computation of Credit for Federal Tax on Gasoline and Special Fuels

Form 4562, Depreciation and Amortization

Form 4684, Casualties and Thefts

Form 4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions

Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

Form 5695, Residential Energy Credit Carryforward

Form 6251, Alternative Minimum Tax—Individuals

Form 8283, Noncash Charitable Contributions

Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

Form 8582, Passive Activity Loss Limitations

Form 8598, Home Mortgage Interest

Form 8606, Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions

Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000

How To Get Publications

The following publications can be ordered from IRS or you can read or photocopy them at many participating libraries:

17 Your Federal Income Tax
54 Tax Guide for U.S. Citizens and Resident Aliens Abroad
334 Tax Guide for Small Business
463 Travel, Entertainment, and Gift Expenses
501 Exemptions and Standard Deduction
502 Medical and Dental Expenses
503 Child and Dependent Care Credit, and Employment Taxes for Household Employers
504 Tax Information for Divorced or Separated Individuals
505 Tax Withholding and Estimated Tax
508 Educational Expenses
521 Moving Expenses
523 Tax Information on Selling Your Home
524 Credit for the Elderly or for the Permanently and Totally Disabled
525 Taxable and Nontaxable Income
526 Charitable Contributions
527 Rental Property
529 Miscellaneous Deductions
530 Tax Information for Owners of Homes, Condominiums, and Cooperative Apartments
531 Reporting Income From Tips
533 Self-Employment Tax
545 Interest Expense
547 Nonbusiness Disasters, Casualties, and Thefts
550 Investment Income and Expenses
552 Recordkeeping for Individuals and a List of Tax Publications
553 Highlights of 1987 Tax Changes
554 Tax Information for Older Americans
575 Pension and Annuity Income
583 Information for Business Taxpayers
587 Business Use of Your Home
590 Individual Retirement Arrangements (IRAs)
596 Earned Income Credit
907 Tax Information for Handicapped and Disabled Individuals
910 Guide to Free Tax Services
915 Social Security Benefits and Equivalent Railroad Retirement Benefits
917 Business Use of a Car
920 Explanation of the Tax Reform Act of 1986 for Individuals
921 Explanation of the Tax Reform Act of 1986 for Business
929 Tax Rules for Children and Dependents

Other publications and forms referred to in the instructions are also available without cost from the "Forms Distribution Center" for your state. See Publication 910 for a complete list of available publications.

Where To Send Your Order for Free Forms and Publications

Please send your order to the "Forms Distribution Center" for your state

Alabama—P O Box 9903, Bloomington, IL 61799
Alaska—P O Box 12626, Fresno, CA 93778
Arizona—P O Box 12626, Fresno, CA 93778
Arkansas—P O Box 9903, Bloomington, IL 61799
California—P O Box 12626, Fresno, CA 93778
Colorado—P O Box 12626, Fresno, CA 93778
Connecticut—P O Box 25866, Richmond, VA 23260
Delaware—P O Box 25866, Richmond, VA 23260
District of Columbia—P O Box 25866, Richmond, VA 23260
Florida—P O Box 25866, Richmond, VA 23260
Georgia—P O Box 25866, Richmond, VA 23260
Hawaii—P O Box 12626, Fresno, CA 93778
Idaho—P O Box 12626, Fresno, CA 93778
Illinois—P O Box 9903, Bloomington, IL 61799
Indiana—P O Box 9903, Bloomington, IL 61799
Iowa—P O Box 9903, Bloomington, IL 61799
Kansas—P O Box 9903, Bloomington, IL 61799
Kentucky—P O Box 9903, Bloomington, IL 61799
Louisiana—P O Box 9903, Bloomington, IL 61799
Maine—P O Box 25866, Richmond, VA 23260
Maryland—P O Box 25866, Richmond, VA 23260
Massachusetts—P O Box 25866, Richmond, VA 23260
Michigan—P O Box 9903, Bloomington, IL 61799
Minnesota—P O Box 9903, Bloomington, IL 61799
Mississippi—P O Box 9903, Bloomington, IL 61799
Missouri—P O Box 9903, Bloomington, IL 61799
Montana—P O Box 12626, Fresno, CA 93778
Nebraska—P O Box 9903, Bloomington, IL 61799
Nevada—P O Box 12626, Fresno, CA 93778
New Hampshire—P O Box 25866, Richmond, VA 23260
New Jersey—P O Box 25866, Richmond, VA 23260
New Mexico—P O Box 12626, Fresno, CA 93778
New York—P O Box 25866, Richmond, VA 23260
North Carolina—P O Box 25866, Richmond, VA 23260
North Dakota—P O Box 9903, Bloomington, IL 61799
Ohio—P O Box 9903, Bloomington, IL 61799
Oklahoma—P O Box 9903, Bloomington, IL 61799
Oregon—P O Box 12626, Fresno, CA 93778
Pennsylvania—P O Box 25866, Richmond, VA 23260
Rhode Island—P O Box 25866, Richmond, VA 23260
South Carolina—P O Box 25866, Richmond, VA 23260
South Dakota—P O Box 9903, Bloomington, IL 61799
Tennessee—P O Box 9903, Bloomington, IL 61799
Texas—P O Box 9903, Bloomington, IL 61799
Utah—P O Box 12626, Fresno, CA 93778
Vermont—P O Box 25866, Richmond, VA 23260
Virginia—P O Box 25866, Richmond, VA 23260
Washington—P O Box 12626 Fresno, CA 93778
West Virginia—P O Box 25866, Richmond, VA 23260
Wisconsin—P O Box 9903, Bloomington, IL 61799
Wyoming—P O Box 12626, Fresno, CA 93778

Foreign Addresses—Taxpayers with mailing addresses in foreign countries should send this order blank to either Forms Distribution Center, P O Box 25866, Richmond, VA 23260, or Forms Distribution Center, P O Box 12626, Fresno, CA 93778, whichever is closer Send letter requests for other forms and publications to Forms Distribution Center, P O Box 25866, Richmond, VA 23260

Puerto Rico—Forms Distribution Center, P O Box 25866, Richmond, VA 23260

Virgin Islands—V I, Bureau of Internal Revenue, P O Box 3186, St Thomas, VI 00801

Detach at this Line

(0)

Order Blank—We will send you 2 copies of each form and 1 copy of each set of instructions or publication you circle Please cut the order blank on the dotted line and **be sure to print or type your name and address accurately on the other side** This will be the label used to return material to you Enclose this order blank in your own envelope and address your envelope to the IRS address shown above for your state To help reduce waste, please order only the forms and publications you think you will need to prepare your return. Use the blank spaces to order items not listed If you need more space, attach a separate sheet of paper listing the additional forms and publications you may need Be sure to allow 2 weeks to receive your order

Circle Desired Forms and Publications							
		Schedule SE (1040)	4136	8598 & Instructions	Pub 503	Pub 527	Pub 920
		1040 ES (1988)	4562 & Instructions	8606	Pub 504	Pub 529	Pub 921
1040	Schedules A&B (1040)	2106 & Instructions	4684 & Instructions	8615	Pub 505	Pub 530	Pub 929
Instructions for 1040 & Schedules	Schedule C (1040)	2119	4797 & Instructions	Pub 17	Pub 508	Pub 545	
1040A	Schedule D (1040)	2210 & Instructions	4868	Pub 334	Pub 521	Pub 552	
1040EZ	Schedule E (1040)	2441	6251 & Instructions	Pub 463	Pub 523	Pub 553	
1040A & 1040EZ Instructions	Schedule F (1040)	3468 & Instructions	8283 & Instructions	Pub 501	Pub 524	Pub 554	
1040X & Instructions	Schedule R (1040) & Instructions	3903 & Instructions	8582 & Instructions	Pub 502	Pub 526	Pub 917	

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Detach at this Line

Print or type your name and address on this label. It will be used to speed your order for forms to you.

Name

Number and street

City or town, state, and ZIP code

Save Time! Participating libraries have IRS tax forms available for copying and reference sets of Tax Information Publications. Also, participating banks, post offices, and libraries stock Forms 1040, 1040A, 1040EZ, their Instructions, and Schedules A&B.

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Form **1040A**

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return (0) 1987

OMB No. 1545-0085

Step 1 Label

Use IRS label. Otherwise, please print or type

Your first name and initial (if joint return, also give spouse's name and initial) | Last name | Your social security no.

Present home address (number and street) (If you have a P.O. Box, see page 9 of the instructions.) | Spouse's social security no.

PLACE LABEL HERE

City, town or post office, state, and ZIP code | For Privacy Act and Paperwork Reduction Act Notice, see page 31.

Presidential Election Campaign Fund

Do you want $1 to go to this fund? ☐ Yes ☐ No

If joint return, does your spouse want $1 to go to this fund? ☐ Yes ☐ No

Note: Checking "Yes" will not change your tax or reduce your refund.

Step 2 Check your filing status (Check only one)

1 ☐ Single (See if you can use Form 1040EZ.)

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security number above and spouse's full name here. _____

4 ☐ Head of household (with qualifying person). If the qualifying person is your child but not your dependent, enter this child's name here. _____

Step 3 Figure your exemptions (See page 12 of instructions.)

Caution: If you can be claimed as a dependent on another person's tax return (such as your parents' return), do not check box 5a. But be sure to check the box on line 14b on page 2.

5a ☐ Yourself 5b ☐ Spouse

No. of boxes checked on 5a and 5b

c Dependents:

1. Name (first, initial, and last name)	2. Check if under age 5	3. If age 5 or over, dependent's social security number	4. Relationship	5. No. of months lived in your home in 1987

If more than 7 dependents, attach statement.

No. of children on 5c who lived with you

No. of children on 5c who didn't live with you due to divorce or separation

No. of parents listed on 5c

No. of other dependents listed on 5c

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶ ☐

e Total number of exemptions claimed. (Also complete line 16.)

Add numbers entered on lines above

Attach Copy B of Form(s) W-2 here

Step 4 Figure your total income

Attach check or money order here

6 Wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.) 6

7a Taxable interest income (see page 17). (If over $400, also complete and attach Schedule 1, Part II.) 7a

b Tax-exempt interest income (see page 17). (DO NOT include on line 7a.) 7b

8 Dividends. (If over $400, also complete and attach Schedule 1, Part III.) 8

9 Unemployment compensation (insurance) from Form(s) 1099-G. 9

10 Add lines 6, 7a, 8, and 9. Enter the total. This is your **total income.** ▶ 10

Step 5 Figure your adjusted gross income

11a Your IRA deduction from applicable Worksheet. New rules for IRAs begin on page 18. 11a

b Spouse's IRA deduction from applicable Worksheet. New rules for IRAs begin on page 18. 11b

c Add lines 11a and 11b. Enter the total. These are your **total adjustments.** 11c

12 Subtract line 11c from line 10. Enter the result. This is your **adjusted gross income.** (If this line is less than $15,432 and a child lived with you, see "Earned Income Credit" (line 21b) on page 27 of instructions.) ▶ 12

Step 6 Figure your standard deduction,

13 Enter the amount from line 12. 13

14a Check if: ☐ You were 65 or over ☐ Blind ☐ Spouse was 65 or over ☐ Blind } Enter number of boxes checked ▶ 14a

b If you can be claimed as a dependent on another person's return (such as your parents' return), check here ▶ 14b ☐

c If you are married filing separately and your spouse files Form 1040 and itemizes deductions, check here ▶ 14c ☐

d **Standard deduction.** If you checked a box on line 14a, b, or c, see page 22 for amount to enter on line 14d. If no box is checked, enter amount shown below for your filing status.

Filing status from page 1 { Single or Head of household, enter $2,540 / Married filing joint return, enter $3,760 / Married filing separate return, enter $1,880 } 14d

Exemption amount, and Taxable income

15 Subtract line 14d from line 13. Enter the result. 15

16 Multiply $1,900 by the total number of exemptions claimed on line 5e. Or, figure your exemption amount from the chart on page 24 of the instructions. 16

17 Subtract line 16 from line 15. Enter the result. This is your **taxable income.** ▶ 17

If You Want IRS To Figure Your Tax, See Page 24 of the Instructions.

Step 7 Figure your tax, credits, and payments (including advance EIC payments)

Caution: If you are under age 14 and have more than $1,000 of investment income, see page 24 of the instructions and check here ▶ ☐

18 Find the tax on the amount on line 17. Check if from: ☐ Tax Table (pages 32–37); or ☐ Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000. 18

19 Credit for child and dependent care expenses. Complete and attach Schedule 1, Part I. 19

20 Subtract line 19 from line 18. Enter the result. (If line 19 is more than line 18, enter -0- on line 20.) This is your **total tax.** ▶ 20

21a Total Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s). (If line 6 is more than $43,800, see page 26.) 21a

b Earned income credit, from the worksheet on page 28 of the instructions. Also see page 27. 21b

22 Add lines 21a and 21b. Enter the total. These are your **total payments.** ▶ 22

Step 8 Figure your refund or amount you owe

23 If line 22 is larger than line 20, subtract line 20 from line 22. Enter the result. This is the **amount of your refund.** 23

24 If line 20 is larger than line 22, subtract line 22 from line 20. Enter the result. This is the **amount you owe.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1987 Form 1040A" on it. 24

Step 9 Sign your return

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature | Date | Your occupation

X

Spouse's signature (if joint return, both must sign) | Date | Spouse's occupation

X

Paid preparer's use only

Preparer's signature | Date | Preparer's social security no.

X

Firm's name (or yours if self-employed) | Employer identification no.

Address and ZIP code | Check if self-employed ☐

1987 Schedule 1 (Form 1040A)

OMB No 1545-0085

Name(s) as shown on Form 1040A — Your social security number

You MUST complete and attach Schedule 1 to Form 1040A only if you:

- Claim the credit for child and dependent care expenses (complete **Part I**)
- Have over $400 of taxable interest income (complete **Part II**)
- Have over $400 of dividend income (complete **Part III**)

Part I — Credit for child and dependent care expenses (see page 24 of the instructions)

Complete this part to figure the amount of credit you can take on Form 1040A, line 19. Attach Schedule 1 to Form 1040A.

Note: *If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get* **Form 942** *for details.*

1 Enter the number of qualifying persons who were cared for in 1987. (See the instructions for the definition of a qualifying person.) — 1

2 Enter the amount of **qualified** expenses you incurred and actually paid in 1987 for the care of the qualifying person. (See the instructions for which expenses qualify for the credit.) DO NOT enter more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons). — 2

3 a You **must** enter your earned income on line 3a. — 3a

b If you are married, filing a joint return for 1987, you must enter your spouse's earned income on line 3b. (If spouse is a full-time student or is disabled, see the instructions for amount to enter on this line.) — 3b

c If you are married, compare the amounts on lines 3a and 3b, and enter the **smaller** of the two amounts on line 3c. — 3c

4 • If you were unmarried at the end of 1987, compare the amounts on lines 2 and 3a, and enter the **smaller** of the two amounts on line 4.
• If you are married, filing a joint return for 1987, compare the amounts on lines 2 and 3c, and enter the **smaller** of the two amounts on line 4. — 4

5 Enter the percentage from the table below that applies to the amount on Form 1040A, line 13.

If line 13 is: Over—	But not over—	Percentage is:	If line 13 is: Over—	But not over—	Percentage is:
$0	10,000	30% (.30)	$20,000	22,000	24% (.24)
10,000	12,000	29% (.29)	22,000	24,000	23% (.23)
12,000	14,000	28% (.28)	24,000	26,000	22% (.22)
14,000	16,000	27% (.27)	26,000	28,000	21% (.21)
16,000	18,000	26% (.26)	28,000		20% (.20)
18,000	20,000	25% (.25)			

5 — × .

6 Multiply the amount on line 4 by the percentage on line 5. Enter the result here and on Form 1040A, line 19. — 6 =

1987 Schedule 1 (Form 1040A)

OMB No. 1545-0085

Name(s) as shown on Form 1040A (Do not complete if shown on other side.) — Your social security number

Part II — Interest Income (see page 17 of the instructions)

Complete this part and attach Schedule 1 to Form 1040A if you received over $400 in taxable interest income.

Note: *If you received a Form 1099-INT or Form 1099-OID from a brokerage firm, enter the firm's name and the total interest shown on that form.*

1 List name of payer	Amount
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$

2 Add amounts on line 1. Enter the total here and on Form 1040A, line 7a. — 2

Part III — Dividend Income (see page 18 of the instructions)

Complete this part and attach Schedule 1 to Form 1040A if you received over $400 in dividends.

Note: *If you received a Form 1099-DIV from a brokerage firm, enter the firm's name and the total dividends shown on that form.*

1 List name of payer	Amount
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$

2 Add amounts on line 1. Enter the total here and on Form 1040A, line 8. — 2

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Department of the Treasury - Internal Revenue Service

Form 1040EZ **Income Tax Return for Single filers with no dependents** (x) **1987**

OMB No 1545 0675

Name & address Use the IRS mailing label. If you don't have one, please print.

Print your name above (first, initial, last)

Present home address (number and street). (If you have a P.O. box, see instructions.)

City, town, or post office, state, and ZIP code

Please print your numbers like this: 0 1 2 3 4 5 6 7 8 9

Your social security number

Please read the instructions for this form on the reverse side.

Presidential Election Campaign Fund Do you want $1 to go to this fund? Yes No

Note: *Checking "Yes" will not change your tax or reduce your refund*

			Dollars	Cents
Report your income	1	Total wages, salaries, and tips. This should be shown in Box 10 of your W-2 form(s). (Attach your W-2 form(s).)	1	
	2	Taxable interest income of $400 or less. If the total is more than $400, you cannot use Form 1040EZ.	2	
Attach Copy B of Form(s) W-2 here	3	Add line 1 and line 2. This is your **adjusted gross income.**	3	
	4	Can you be claimed as a dependent on another person's return? ☐ Yes. Do worksheet on back; enter amount from line E here. ☐ No. Enter 2,540 as your standard deduction.	4	
	5	Subtract line 4 from line 3.	5	
	6	If you checked the "Yes" box on line 4, enter 0. If you checked the "No" box on line 4, enter 1,900. This is your **personal exemption.**	6	
	7	Subtract line 6 from line 5. If line 6 is larger than line 5, enter 0 on line 7. This is your **taxable income.**	7	
Figure your tax	8	Enter your Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s).	8	
	9	Use the **single** column in the tax table on pages 32–37 of the Form 1040A instruction booklet to find the tax on the amount shown on **line 7** above. Enter the amount of tax.	9	
Refund or amount you owe	10	If line 8 is larger than line 9, subtract line 9 from line 8. Enter the **amount of your refund.**	10	
Attach tax payment here	11	If line 9 is larger than line 8, subtract line 8 from line 9. Enter the **amount you owe.** Attach check or money order for the full amount, payable to "Internal Revenue Service."	11	

Sign your return **I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.**

Your signature Date

For IRS Use Only—Please do not write in boxes below.

For Privacy Act and Paperwork Reduction Act Notice, see page 31. Form **1040EZ** (1987)

1987 Instructions for Form 1040EZ

Use this form if:

- Your filing status is single.
- You do not claim any dependents.
- You had **only** wages, salaries, and tips, and your taxable interest income was $400 or less. **Caution:** If you received tips (including allocated tips) that are not included in Box 14 of your W-2 form, you may not be able to use Form 1040EZ. See page 17 in the **Instructions for preparing 1040EZ and 1040A.**
- You are not 65 or over, OR blind.
- Your taxable income is less than $50,000.

If you can't use this form, you must use Form 1040A or Form 1040. See pages 6 through 8 in the instruction booklet. If you are uncertain about your filing status, see page 9 of the booklet.

Completing your return It will make it easier for us to process your return if you print your numbers (do not type) and keep them inside the boxes. Do not use dollar signs. You may find calculations easier if you round off cents to whole dollars. See page 15 of the instruction booklet for details.

Name & address Use the mailing label we sent you. After you complete your return, carefully place the label in the name and address area. Mark through any errors on the label and print the correct information on the label. Use of the label saves processing time. If you don't have a label, print the information on the name and address lines. If your post office does not deliver mail to your street address and you have a P.O. box, enter your P.O. box number on the line for your present home address instead of your street address.

Presidential campaign fund Congress set up this fund to help pay for Presidential election campaigns. You may have one of your tax dollars go to this fund by checking the "Yes" box. Checking the "Yes" box does not change the tax or refund shown on your return.

Report your income

Line 1. Enter on line 1 the total amount you received in wages, salaries, and tips. This should be shown in Box 10 of your 1987 wage statement(s), **Form W-2.** If you don't receive your W-2 form by February 15, contact your local IRS office. You must still report your earnings even if you don't get a Form W-2 from your employer. Attach the first copy or Copy B of your W-2 form(s) to your return.

Line 2. Enter on line 2 the total taxable interest income you received from all sources, such as banks, savings and loans, and credit unions. You should receive a **Form 1099-INT** from each institution that paid you interest. You cannot use Form 1040EZ if your total taxable interest income is over $400. If you received tax-exempt interest, such as interest on municipal bonds, in the space to the left of line 2, write "TEI" and show the amount of your tax-exempt interest. DO NOT include tax-exempt interest in the total entered in the boxes on line 2.

Line 4. If you checked the "Yes" box because you can be claimed as a dependent on another person's return (such as your parents'), complete the following worksheet to figure the amount to enter on line 4. For information on dependents, see page 12 of the instruction booklet.

Standard deduction worksheet for dependents

A.	Enter the amount from line 1 on front.	A.	
B.	Minimum amount.	B.	500.00
C.	**Compare** the amounts on lines A and B above. Enter the LARGER of the two amounts here.	C.	
D.	Maximum amount.	D.	2,540.00
E.	**Compare** the amounts on lines C and D above. Enter the SMALLER of the two amounts here and on line 4 on front.	E.	

Line 6. Generally, you should enter 1,900 on line 6 as your personal exemption. However, if you can be claimed as a dependent on another person's return (such as your parents'), you cannot claim a personal exemption for yourself; enter 0 on line 6. If you are entitled to additional exemptions for your spouse, for your dependent children, or for other dependents, you cannot use Form 1040EZ.

Figure your tax

Line 8. Enter the amount of Federal income tax withheld. This should be shown in Box 9 of your 1987 W-2 form(s). If you had two or more employers and had total wages of over $43,800, see page 26 of the instruction booklet. If you cannot be claimed as a dependent and you want IRS to figure your tax for you, complete lines 1 through 8, sign and date your return. If you want to figure your own tax, continue with these instructions.

Line 9. Use the amount on line 7 to find your tax in the tax table on pages 32–37 of the instruction booklet. Be sure to use the column in the tax table for **single** taxpayers. Enter the amount of tax on line 9. If your tax from the tax table is zero, enter 0.

Refund or amount you owe

Line 10. If line 8 is larger than line 9, you are entitled to a refund. Subtract line 9 from line 8, and enter the result on line 10.

Line 11. If line 9 is larger than line 8, you owe more tax. Subtract line 8 from line 9, and enter the result on line 11. Attach your check or money order for the full amount. Write your social security number, daytime phone number, and "1987 Form 1040EZ" on your payment.

Sign your return You must sign and date your return. If you pay someone to prepare your return, that person must also sign it below the space for your signature and supply the other information required by IRS. See page 29.

Mailing your return File your return by **April 15, 1988.** Mail it to us in the addressed envelope that came with the instruction booklet. If you don't have an addressed envelope, see page 3 for the address.

SCHEDULES A&B (Form 1040)
Department of the Treasury Internal Revenue Service (0)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040 ▶ See Instructions for Schedules A and B (Form 1040).

OMB No 1545 0074 **1987** Attachment Sequence No 07

Name(s) as shown on Form 1040 | Your social security number

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See Instructions on page 21)	1a	Prescription medicines and drugs, insulin, doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc	1a	
	b	Transportation and lodging	1b	
	c	Other (list—include hearing aids, dentures, eyeglasses, etc) ▶	1c	
	2	Add lines 1a through 1c, and enter the total here	2	
	3	Multiply the amount on Form 1040, line 31, by 7 5% (.075)	3	
	4	Subtract line 3 from line 2 If zero or less, enter -0- **Total** medical and dental ▶		4
Taxes You Paid (See Instructions on page 22)		**Note:** Sales taxes are no longer deductible		
	5	State and local income taxes	5	
	6	Real estate taxes	6	
	7	Other taxes (list—include personal property taxes) ▶	7	
	8	Add the amounts on lines 5 through 7 Enter the total here **Total** taxes ▶		8
Interest You Paid (See Instructions on page 22)		**Note:** If you borrowed any new amounts against your home after 8/16/86 and at any time in 1987 the total of all your mortgage debts was more than what you paid for your home plus improvements, attach Form 8598 and check here ▶ ☐		
	9a	Deductible home mortgage interest you paid to financial institutions (report deductible points on line 10)	9a	
	b	Deductible home mortgage interest you paid to individuals (show that person's name and address) ▶	9b	
	10	Deductible points	10	
	11	Deductible investment interest	11	
	12a	Personal interest you paid (see page 22) 12a		
	b	Multiply the amount on line 12a by 65% (.65) Enter the result	12b	
	13	Add the amounts on lines 9a through 11, and 12b Enter the total here **Total** interest ▶		13
Contributions You Made (See Instructions on page 23)	14a	Cash contributions (If you gave $3,000 or more to any one organization report those contributions on line 14b)	14a	
	b	Cash contributions totaling $3,000 or more to any one organization (Show to whom you gave and how much you gave) ▶	14b	
	15	Other than cash (You must attach Form 8283 if over $500)	15	
	16	Carryover from prior year	16	
	17	Add the amounts on lines 14a through 16 Enter the total here **Total** contributions ▶		17
Casualty and Theft Losses	18	Casualty or theft loss(es) (attach Form 4684) (See page 23 of the Instructions) ▶		18
Moving Expenses	19	Moving expenses (attach Form 3903 or 3903F) (See page 24 of the Instructions.) ▶		19
Miscellaneous Deductions Subject to 2% AGI Limit (See Instructions on page 24)	20	Unreimbursed employee business expenses (attach Form 2106)	20	
	21	Other expenses (list type and amount) ▶	21	
	22	Add the amounts on lines 20 and 21 Enter the total	22	
	23	Multiply the amount on Form 1040, line 31, by 2% (.02) Enter the result here	23	
	24	Subtract line 23 from line 22 Enter the result (but not less than zero) ▶		24
Other Miscellaneous Deductions	25	Miscellaneous deductions not subject to 2% AGI limit (see page 24) (List type and amount) ▶ ▶		25
Total Itemized Deductions	26	Add the amounts on lines 4, 8, 13, 17, 18 19 24, and 25 Enter the total here and on Form 1040, line 33a ▶		26

For Paperwork Reduction Act Notice, see Form 1040 Instructions • U.S. Government Printing Office 1987 183-092 **Schedule A (Form 1040) 1987**

Schedules A&B (Form 1040) 1987 OMB No 1545 0074 Page 2

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side) | Your social security number

Schedule B—Interest and Dividend Income

Attachment Sequence No 08

Part I Interest Income (See Instructions on pages 9 and 24) Also complete Part III

Note: If you received a Form 1099-INT or Form 1099-OID from a brokerage firm, enter the firm's name and the total interest shown on that form

If you received more than $400 in taxable interest income, you must complete Part I and list ALL interest received. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 24.

Interest Income		Amount
1 Interest income from seller-financed mortgages (See Instructions and list name of payer.) ▶	1	
2 Other interest income (list name of payer) ▶	2	
3 Add the amounts on lines 1 and 2 Enter the total here and on Form 1040, line 8 ▶	3	

Part II Dividend Income (See Instructions on pages 10 and 25) Also complete Part III

Note. If you received a Form 1099-DIV from a brokerage firm, enter the firm's name and the total dividends shown on that form

If you received more than $400 in gross dividends and/or other distributions on stock, complete Part II. If you received, as a nominee, dividends that actually belong to another person, see page 25.

Dividend Income		Amount
4 Dividend income (list name of payer—include on this line capital gain distributions, nontaxable distributions, etc) ▶	4	
5 Add the amounts on line 4 Enter the total here	5	
6 Capital gain distributions Enter here and on line 13, Schedule D * 6		
7 Nontaxable distributions (See Schedule D Instructions for adjustment to basis) 7		
8 Add the amounts on lines 6 and 7 Enter the total here	8	
9 Subtract line 8 from line 5 Enter the result here and on Form 1040, line 10 ▶	9	

*If you received capital gain distributions but do not need Schedule D to report any other gains or losses or to figure your tax (see the **Tax Tip** under **Capital gain distributions** on page 10), enter your capital gain distributions on Form 1040, line 14 Write "CGD" on the dotted line to the left of line 14

Part III Foreign Accounts and Foreign Trusts (See Instructions on page 25)

If you received more than $400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

		Yes	No
10	At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 25 of the Instructions for exceptions and filing requirements for Form TD F 90-22 1) If "Yes," enter the name of the foreign country ▶		
11	Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926		

For Paperwork Reduction Act Notice, see Form 1040 Instructions **Schedule B (Form 1040) 1987**

SCHEDULE C (Form 1040)

Department of the Treasury
Internal Revenue Service (0)

Profit or (Loss) From Business or Profession

(Sole Proprietorship)

Partnerships, Joint Ventures, etc., Must File Form 1065.

▶ Attach to Form 1040, Form 1041, or Form 1041S. ▶ See Instructions for Schedule C (Form 1040).

OMB No 1545 0074

1987

Attachment Sequence No **09**

Name of proprietor | Social security number (SSN)

A Principal business or profession, including product or service (see instructions) | B Principal business code (from Part IV) ▶

C Business name and address ▶ | D Employer ID number (Not SSN)

E Method(s) used to value closing inventory
(1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (attach explanation)

F Accounting method (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

		Yes	No
G	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? (If "Yes," attach explanation.)		
H	Are you deducting expenses for an office in your home?		
I	Did you file **Form 941** for this business for any quarter in 1987?		
J	Did you "materially participate" in the operation of this business during 1987? (If "No," see Instructions for limitations on losses.)		
K	Was this business in operation at the end of 1987?		
L	How many months was this business in operation during 1987? ▶		

M If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here ▶ ☐
If you check this box, you **MUST** attach **Form 8271**

Part I Income

1a	Gross receipts or sales	1a	
b	Less Returns and allowances	1b	
c	Subtract line 1b from line 1a and enter the balance here	1c	
2	Cost of goods sold and/or operations (from Part III, line 8)	2	
3	Subtract line 2 from line 1c and enter the **gross profit** here	3	
4	Other income (including windfall profit tax credit or refund received in 1987)	4	
5	Add lines 3 and 4. This is the **gross income** ▶	5	

Part II Deductions

6	Advertising		
7	Bad debts from sales or services (see Instructions)		
8	Bank service charges		
9	Car and truck expenses		
10	Commissions		
11	Depletion		
12	Depreciation and section 179 deduction from Form 4562 (not included in Part III)		
13	Dues and publications		
14	Employee benefit programs		
15	Freight (not included in Part III)		
16	Insurance		
17	Interest		
a	Mortgage (paid to financial institutions)		
b	Other		
18	Laundry and cleaning		
19	Legal and professional services		
20	Office expense		
21	Pension and profit-sharing plans		
22	Rent on business property		
23	Repairs		
24	Supplies (not included in Part III)		
25	Taxes		
26	Travel, meals, and entertainment		
a	Travel		
b	Total meals and entertainment		
c	Enter 20% of line 26b subject to limitations (see Instructions)		
d	Subtract line 26c from 26b		
27	Utilities and telephone		
28a	Wages		
b	Jobs credit		
c	Subtract line 28b from 28a		
29	Other expenses (list type and amount)		
30	Add amounts in columns for lines 6 through 29. These are the **total deductions** ▶	30	
31	**Net profit or (loss).** Subtract line 30 from line 5. If a profit, enter here and on Form 1040, line 13, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S). If a loss, you **MUST** go on to line 32	31	

32 If you have a loss, you **MUST** answer this question: "Do you have amounts for which you are not at risk in this business?" (See Instructions.) ☐ Yes ☐ No
If "Yes," you **MUST** attach **Form 6198**. If "No," enter the loss on Form 1040, line 13, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S).

For Paperwork Reduction Act Notice, see Form 1040 Instructions. Schedule C (Form 1040) 1987

Part III Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part III)

1	Inventory at beginning of year (If different from last year's closing inventory, attach explanation.)	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor (Do not include salary paid to yourself.)	3	
4	Materials and supplies	4	
5	Other costs	5	
6	Add lines 1 through 5	6	
7	Less Inventory at end of year	7	
8	**Cost of goods sold and/or operations.** Subtract line 7 from line 6. Enter here and in Part I, line 2	8	

Part IV Codes for Principal Business or Professional Activity

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that identifies (or most closely identifies) the business or profession that is the principal source of your sales or receipts. **Enter this 4-digit code on line B on page 1 of Schedule C.** (**Note:** *If your principal source of income is from farming activities, you should file* **Schedule F** *(Form 1040), Farm Income and Expenses.*)

Construction

Code

0018 Operative builders (building for own account)

General contractors

0034 Residential building
0059 Nonresidential building
0075 Highway and street construction
3889 Other heavy construction (pipe laying, bridge construction, etc.)

Building trade contractors, including repairs

0232 Plumbing, heating, air conditioning
0257 Painting and paper hanging
0273 Electrical work
0299 Masonry, dry wall, stone, tile
3414 Carpentering and flooring
0430 Roofing, siding, and sheet metal
0455 Concrete work
0471 Water well drilling
0885 Other building trade contractors (excavation, glazing, etc.)

Manufacturing, Including Printing and Publishing

0612 Bakeries selling at retail
0638 Other food products and beverages
0653 Textile mill products
0679 Apparel and other textile products
0695 Leather, footware, handbags, etc
0810 Furniture and fixtures
0836 Lumber and other wood products
0851 Printing and publishing
0877 Paper and allied products
0893 Chemicals and allied products
1016 Rubber and plastics products
1032 Stone, clay, and glass products
1057 Primary metal industries
1073 Fabricated metal products
1099 Machinery and machine shops
1115 Electric and electronic equipment
1313 Transportation equipment
1339 Instruments and related products
1883 Other manufacturing industries

Mining and Mineral Extraction

1511 Metal mining
1537 Coal mining
1552 Oil and gas
1719 Quarrying and nonmetallic mining

Agricultural Services, Forestry, and Fishing

1917 Soil preparation services
1933 Crop services
1958 Veterinary services, including pets
1974 Livestock breeding
1990 Other animal services
2113 Farm labor and management services
2212 Horticulture and landscaping
2238 Forestry, except logging
0836 Logging
2279 Fishing, hunting, and trapping

Wholesale Trade—Selling Goods to Other Businesses, Government, or Institutions, etc.

Code

Durable goods, including machinery, equipment, wood, metals, etc.

2618 Selling for your own account
2634 Agent or broker for other firms—more than 50% of gross sales on commission

Nondurable goods, including food, fiber, chemicals, etc.

2659 Selling for your own account
2675 Agent or broker for other firms—more than 50% of gross sales on commission

Retail Trade—Selling Goods to Individuals and Households

3012 Selling door-to-door, by telephone or party plan, or from mobile unit
3038 Catalog or mail order
3053 Vending machine selling

Selling From Store, Showroom, or Other Fixed Location

Food, beverages, and drugs

3079 Eating places (meals or snacks)
3095 Drinking places (alcoholic beverages)
3210 Grocery stores (general line)
0612 Bakeries selling at retail
3236 Other food stores (meat, produce, candy, etc.)
3251 Liquor stores
3277 Drug stores

Automotive and service stations

3319 New car dealers (franchised)
3335 Used car dealers
3517 Other automotive dealers (motorcycles, recreational vehicles, etc.)
3533 Tires, accessories, and parts
3558 Gasoline service stations

General merchandise, apparel, and furniture

3715 Variety stores
3731 Other general merchandise stores
3756 Shoe stores
3772 Men's and boys' clothing stores
3913 Women's ready-to-wear stores
3921 Women's accessory and specialty stores and furriers
3939 Family clothing stores
3954 Other apparel and accessory stores
3970 Furniture stores
3996 TV, audio, and electronics
3988 Computer and software stores
4119 Household appliance stores
4317 Other home furnishing stores (china, floor coverings, drapes, etc.)
4333 Music and record stores

Building, hardware, and garden supply

4416 Building materials dealers
4432 Paint, glass, and wallpaper stores
4457 Hardware stores
4473 Nurseries and garden supply stores

Other retail stores

4614 Used merchandise and antique stores (except used motor vehicle parts)
4630 Gift, novelty, and souvenir shops
4655 Florists
4671 Jewelry stores
4697 Sporting goods and bicycle shops
4812 Boat dealers
4838 Hobby, toy, and game shops
4853 Camera and photo supply stores
4879 Optical goods stores
4895 Luggage and leather goods stores
5017 Book stores, excluding newsstands
5033 Stationery stores
5058 Fabric and needlework stores
5074 Mobile home dealers
5090 Fuel dealers (except gasoline)
5884 Other retail stores

Real Estate, Insurance, Finance, and Related Services

5512 Real estate agents and managers
5538 Operators and lessors of buildings (except developers)
5553 Operators and lessors of other real property (except developers)
5710 Subdivders and developers, except cemeteries
5736 Insurance agents and services
5751 Security and commodity brokers, dealers, and investment services
5777 Other real estate, insurance, and financial activities

Transportation, Communications, Public Utilities, and Related Services

6114 Taxicabs
6312 Bus and limousine transportation
6338 Trucking (except trash collection)
6510 Trash collection without own dump
6536 Public warehousing
6551 Water transportation
6619 Air transportation
6635 Travel agents and tour operators
6650 Other transportation and related services
6676 Communication services
6692 Utilities, including dumps, snowplowing, road cleaning, etc

Services (Providing Personal, Professional, and Business Services)

Code

Hotels and other lodging places

7096 Hotels, motels, and tourist homes
7211 Rooming and boarding houses
7237 Camps and camping parks

Laundry and cleaning services

7419 Coin-operated laundries and dry cleaning
7435 Other laundry, dry cleaning, and garment services
7450 Carpet and upholstery cleaning
7476 Janitorial and related services (building, house, and window cleaning)

Business and/or personal services

7617 Legal services (or lawyer)
7633 Income tax preparation
7658 Accounting and bookkeeping
7674 Engineering, surveying, and architectural
7690 Management, consulting, and public relations
7716 Advertising, except direct mail
7732 Employment agencies and personnel supply
7757 Computer and data processing, including repair and leasing
7773 Equipment rental and leasing (except computer or automotive)
7914 Investigative and protective services
7880 Other business services

Personal services

8110 Beauty shops (or beautician)
8318 Barber shop (or barber)
8334 Photographic portrait studios
8516 Shoe repair and shine services
8532 Funeral services and crematories
8714 Child day care
8730 Teaching or tutoring
8755 Counseling (except health practitioners)
8771 Ministers and chaplains
6882 Other personal services

Automotive services

8813 Automotive rental or leasing, without driver
8839 Parking, except valet
8854 General automotive repairs
8870 Specialized automotive repairs (brake, body repairs, paint, etc.)
8896 Other automotive services (wash, towing, etc.)

Miscellaneous repair, except computers

9019 TV and audio equipment repair
9035 Other electrical equipment repair
9050 Reupholstery and furniture repair
2881 Other equipment repair

Medical and health services

9217 Offices and clinics of medical doctors (MD's)
9233 Offices and clinics of dentists
9258 Osteopathic physicians and surgeons
9274 Chiropractors
9290 Optometrists
9415 Registered and practical nurses
9431 Other licensed health practitioners
9456 Dental laboratories
9472 Nursing and personal care facilities
9886 Other health services

Amusement and recreational services

8557 Physical fitness facilities
9613 Videotape rental stores
9639 Motion picture theaters
9654 Other motion picture and TV film and tape activities
9670 Bowling alleys
9696 Professional sports and racing, including promoters and managers
9811 Theatrical performers, musicians, agents, producers, and related services
9837 Other amusement and recreational services

8888 Unable to classify

☆ U.S. GPO: 1987-183-094

SCHEDULE D (Form 1040)

Department of the Treasury Internal Revenue Service (0)

Capital Gains and Losses and Reconciliation of Forms 1099-B

▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

OMB No 1545 0074

1987

Attachment Sequence No 12

Name(s) as shown on Form 1040 | Your social security number

1 Report here, the total sales of stocks, bonds, etc , reported for 1987 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s) If this amount differs from the total of lines 2b and 9b, column (d), attach a statement explaining the difference See the Instructions for line 1 for examples Do not include real estate transactions reported to you on a Form 1099-B on line 1, 2a, or 9a | 1

Part I Short-term Capital Gains and Losses—Assets Held Six Months or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (Mo , day , yr)	(c) Date sold (Mo , day, yr)	(d) Sales price (see Instructions)	(e) Cost or other basis (see Instructions)	(f) LOSS If (e) is more than (d), subtract (d) from (e)	(g) GAIN If (d) is more than (e), subtract (e) from (d)
2a Form 1099-B Transactions (Sales of Stocks, Bonds, etc.): (Do not report real estate transactions here See the instructions for lines 2a and 9a)						
2b Total (add column (d)) ▶						
2c Other Transactions						

3 Short term gain from sale or exchange of a principal residence from Form 2119, lines 8 or 14	3		
4 Short-term gain from installment sales from Form 6252, lines 23 or 31	4		
5 Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries	5		
6 Short-term capital loss carryover	6		
7 Add all of the transactions on lines 2a and 2c and lines 3 through 6 in columns (f) and (g)	7	( )	
8 Net short-term gain or (loss), combine columns (f) and (g) of line 7			8

Part II Long-term Capital Gains and Losses—Assets Held More Than Six Months

9a Form 1099-B Transactions (Sales of Stocks, Bonds, etc.): (Do not report real estate transactions here See the instructions for lines 2a and 9a)						
9b Total (add column (d)) ▶						
9c Other Transactions:						

10 Long-term gain from sale or exchange of a principal residence from Form 2119, lines 8 10, or 14	10		
11 Long-term gain from installment sales from Form 6252, lines 23 or 31	11		
12 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries	12		
13 Capital gain distributions	13		
14 Enter gain from Form 4797, line 7 or 9	14		
15 Long-term capital loss carryover	15		
16 Add all of the transactions on lines 9a and 9c and lines 10 through 15 in columns (f) and (g)	16	( )	
17 Net long-term gain or (loss), combine columns (f) and (g) of line 16			17

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side) | Your social security number

Part III Summary of Parts I and II

18 Combine lines 8 and 17, and enter the net gain or (loss) here. If result is a gain, also enter the gain on Form 1040, line 14 **Note:** *If lines 17 and 18 are net gains and your taxable income is taxed over the 28% tax rate, see Part IV below You may be able to reduce your tax if you qualify for the alternative tax computation*	18	
19 If line 18 is a loss, enter here and as a loss on Form 1040, line 14, the **smaller** of a The amount on line 18, **or** b $3,000 ($1,500 if married filing a separate return)	19	

Part IV Alternative Tax Computation

First complete Form 1040 through line 36.

Use Part IV if both lines 17 and 18 show net gains, **AND**

You checked filing status box	AND	Form 1040, line 36 is over	You checked filing status box	AND	Form 1040, line 36 is over
1		$27,000	3		$22,500
2 or 5		45,000	4		38,000

20 Enter amount from Form 1040, line 36	20	
21 Enter the smaller of the gain on line 17 or the gain on line 18	21	
22 Subtract line 21 from 20 and enter the result	22	
23 Enter a $16,800 if you checked filing status box 1, b $28,000 if you checked filing status box 2 or 5, c $14,000 if you checked filing status box 3; or d $23,000 if you checked filing status box 4	23	
24 Enter the **greater** of line 22 or line 23	24	
25 Subtract line 24 from line 20	25	
26 Figure the amount of tax on line 24 Use the Tax Table or Tax Rate Schedules, whichever applies	26	
27 Multiply line 25 by 28% (28) and enter the result	27	
28 Add lines 26 and 27 Enter the result here and on Form 1040, line 37 and check the box for Schedule D	28	

Part V Computation of Capital Loss Carryovers From 1987 to 1988

(Complete this part if the loss on line 18 is more than the loss on line 19.)

29 Enter the loss shown on line 8, if none, enter zero and skip lines 30 through 33	29	
30 Enter gain shown on line 17 If that line is blank or shows a loss, enter zero	30	
31 Subtract line 30 from line 29	31	
32 Enter the smaller of line 19 or 31	32	
33 Subtract line 32 from line 31 This is your **short-term capital loss carryover from 1987 to 1988**	33	
34 Enter loss from line 17, if none, enter zero and skip lines 35 through 38	34	
35 Enter gain shown on line 8 If that line is blank or shows a loss, enter zero	35	
36 Subtract line 35 from line 34	36	
37 Subtract line 32 from line 19 (**Note:** *If you skipped lines 30 through 33, enter the amount from line 19*)	37	
38 Subtract line 37 from line 36. This is your **long-term capital loss carryover from 1987 to 1988**	38	

Part VI Complete This Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

39 Check here if you elect out of the installment method ▶ ☐

40 Enter the face amount of the note or other obligation ▶

41 Enter the percentage of valuation of the note or other obligation ▶

Part VII Reconciliation of Forms 1099-B for Bartering Transactions

Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income

		Amount of bartering income from Form 1099 B or equivalent statement reported on form or schedule
42 Form 1040, line 21	42	
43 Schedule C (Form 1040)	43	
44 Schedule D (Form 1040)	44	
45 Schedule E (Form 1040)	45	
46 Schedule F (Form 1040)	46	
47 Other (identify) (if not taxable, indicate reason—attach additional sheets if necessary) ▶	47	
48 Total (add lines 42 through 47) **Note:** *The amount on line 48 should be the same as the total bartering income on all Forms 1099-B or equivalent statements received*	48	

★ U.S.G.P.O. 1987- 183-100

SCHEDULE E (Form 1040)

Department of the Treasury Internal Revenue Service (0)

Supplemental Income Schedule

(From rents, royalties, partnerships, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, Form 1041, or Form 1041S.

▶ See Instructions for Schedule E (Form 1040).

OMB No 1545-0074

1987

Attachment Sequence No **13**

Name(s) as shown on Form 1040 | Your social security number

Part I Rental and Royalty Income or (Loss) **Caution:** Your rental loss may be limited. See Instructions.

1 In the space provided below, show the kind and location of each rental property.

2 For each property listed, did you or a member of your family use for personal purposes any of the properties for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?

3 For each rental real estate property listed, did you actively participate in the operation of the activity during the tax year? (See Instructions.)

		2 Yes	2 No	3 Yes	3 No
Property A	▶			▶	
Property B	▶			▶	
Property C	▶			▶	

Rental and Royalty Income		Properties A	Properties B	Properties C		Totals (Add columns A, B, and C)
4 Rents received					4	
5 Royalties received					5	
Rental and Royalty Expenses						
6 Advertising	6					
7 Auto and travel	7					
8 Cleaning and maintenance	8					
9 Commissions	9					
10 Insurance	10					
11 Legal and other professional fees	11					
12 Mortgage interest paid to financial institutions (see Instructions)	12				12	
13 Other interest	13					
14 Repairs	14					
15 Supplies	15					
16 Taxes (Do not include windfall profit tax here. See Part V, line 40.)	16					
17 Utilities	17					
18 Wages and salaries	18					
19 Other (list) ▶						
20 Total expenses other than depreciation and depletion Add lines 6 through 19	20				20	
21 Depreciation expense (see Instructions), or depletion (see Publication 535)	21				21	
22 Total. Add lines 20 and 21	22					
23 Income or (loss) from rental or royalty properties. Subtract line 22 from line 4 (rents) or 5 (royalties)	23					
24 Deductible rental loss **Caution:** Your rental loss on line 23 may be limited. See Instructions to determine if you must file **Form 8582,** Passive Activity Loss Limitations	24					
25 **Profits.** Add rental and royalty profits from line 23, and enter the total profits here					25	
26 **Losses.** Add royalty losses from line 23 and rental losses from line 24, and enter the total (losses) here					26	( )
27 Combine amounts on lines 25 and 26, and enter the net profit or (loss) here					27	
28 Net farm rental profit or (loss) from Form 4835 (Also complete Part VI, line 43.)					28	
29 Total rental or royalty income or (loss). Combine amounts on lines 27 and 28, and enter the total here. If Parts II, III, IV, and V on page 2 do not apply to you, enter the amount from line 29 on Form 1040, line 17 Otherwise, include the amount from line 29 in line 42 on page 2 of Schedule E					29	

For Paperwork Reduction Act Notice, see Form 1040 Instructions. Schedule E (Form 1040) 1987

Schedule E (Form 1040) 1987 Attachment Sequence No **13** Page **2**

Name(s) as shown on Form 1040. (Do not enter name and social security number if shown on other side.) | Your social security number

Part II Income or (Loss) from Partnerships and S Corporations

If you report a loss below and have amounts invested in that activity for which you are **not at risk**, you MUST check "Yes" in column (e) and attach Form 6198. Otherwise, you must check "No." See Instructions.

	(a) Name	(b) Enter P for partnership, S for S Corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Not at-Risk? Yes	No
A						
B						
C						
D						
E						

	Passive Activities (f) Passive loss allowed from Form 8582	(g) Passive income from Schedule K-1	Nonpassive Activities (h) Nonpassive loss from Schedule K-1	(i) Section 179 deduction	(j) Nonpassive income from Schedule K-1
A					
B					
C					
D					
E					
30a Totals					
b Totals					

31 Add amounts in columns (g) and (j), line 30a. Enter total income here	31	
32 Add amounts in columns (f), (h), and (i), line 30b. Enter total here	32	( )
33 Total partnership and S corporation income or (loss). Combine amounts on lines 31 and 32. Enter the total here and include in line 42 below	33	

Part III Income or (Loss) from Estates and Trusts

	(a) Name	(b) Employer identification number
A		
B		
C		

	Passive Activities (c) Passive deduction or loss allowed from Form 8582	(d) Passive income from Schedule K-1	Nonpassive Activities (e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A				
B				
C				
34a Totals				
b Totals				

35 Add amounts in columns (d) and (f), line 34a. Enter total income here	35	
36 Add amounts in columns (c) and (e), line 34b. Enter total (loss) here	36	( )
37 Total estate and trust income or (loss). Combine amounts on lines 35 and 36. Enter the total here and include in line 42 below	37	

Part IV Income or (Loss) from Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see Instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b

38 Combine columns (d) and (e) only. Enter the total here and include in line 42 below	38	

Part V Windfall Profit Tax Summary

39 Windfall profit tax credit or refund received in 1987 (see Instructions)	39	
40 Windfall profit tax withheld in 1987 (see Instructions)	40	( )
41 Combine amounts on lines 39 and 40. Enter the total here and include in line 42 below	41	

Part VI Summary

42 TOTAL income or (loss). Combine lines 29, 33, 37, 38, and 41. Enter total here and on Form 1040, line 17 ▶	42	
43 Farmers and fishermen Enter your share of GROSS FARMING AND FISHING INCOME applicable to Parts I, II, and III (see Instructions) 43		

☆ U.S.G.P.O. 1987 - 183-104

SCHEDULE F (Form 1040)

Department of the Treasury Internal Revenue Service (0)

Farm Income and Expenses

▶ Attach to Form 1040, Form 1041, Form 1041S, or Form 1065.

▶ See Instructions for Schedule F (Form 1040).

OMB No 1545-0074

1987

Attachment Sequence No. **14**

Name of proprietor

Social security number (SSN)

A Principal Product (Describe in one or two words your principal crop or output for the current tax year.)

B Agricultural Activity Code (from Part IV) ▶

C Accounting Method

☐ Cash ☐ Accrual

D Employer ID number (Not SSN)

E Did you make an election in a prior year to include commodity credit loan proceeds as income in that year? ☐ Yes ☐ No

F Did you "materially participate" in the operation of this business during 1987? (See Instructions for limitation on losses.) ☐ Yes ☐ No
If "No" and you have a loss on line 37, you must attach Form 8582

G Are you electing not to capitalize certain preproductive period expenses? (New rules apply to these expenses, see Instructions.) ☐ Yes ☐ No

Part I Farm Income—Cash Method—Complete Parts I and II

(Accrual method taxpayers complete Parts II and III, and line 12 of Part I.)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1	
2	Cost or other basis of livestock and other items you bought for resale	2	
3	Subtract line 2 from line 1		3
4	Sales of livestock, produce, grains, and other products you raised		4
5a	Total distributions received from cooperatives (from Form 1099-PATR)	5a	
b	**Less:** Nonincome items	5b	
6	Net distributions. Subtract line 5b from line 5a		6
7	Agricultural program payments		
a	Cash		7a
b	Materials and services		7b
8	Commodity credit loans under election (or forfeited)		8
9	Crop insurance proceeds. If election attached to include in income in year following damage, check here ▶ ☐		9
10	Machine work (custom hire) income		10
11	Other income, including Federal and state gasoline tax credit or refund (see Instructions)		11
12	**Gross income.** Add amounts on lines 3, 4, 6, and 7a through 11. If accrual method taxpayer, enter the amount from Part III, line 52 ▶		12

Part II Farm Deductions—Cash and Accrual Method (Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home.)

13	Breeding fees		24a	Labor hired	
14	Chemicals		b	Jobs credit	
15	Conservation expenses (you must attach Form 8645)		c	Net labor hired (subtract line 24b from line 24a)	
16	Depreciation and section 179 expense deduction (from Form 4562)		25	Machine (custom) hire	
17	Employee benefit programs other than on line 26		26	Pension and profit-sharing plans	
18	Feed purchased		27	Rent of farm, pasture	
19	Fertilizers and lime		28	Repairs, maintenance	
20	Freight, trucking		29	Seeds, plants purchased	
21	Gasoline, fuel, oil		30	Storage, warehousing	
22	Insurance		31	Supplies purchased	
23	Interest		32	Taxes	
a	Mortgage (paid to financial institutions)		33	Utilities	
b	Other		34	Veterinary fees, medicine	
			35	Other expenses (specify)	
			a		
			b		
			c		

36	**Total deductions from Part II.** Add amounts in columns for lines 13 through 35c ▶	36	
37	**Net farm profit or (loss).** Subtract line 36 from line 12. If a profit, enter on Form 1040, line 18, and on Schedule SE, line 1. If a loss, you **MUST** go on to line 38. (Fiduciaries and partnerships, see Instructions.)	37	

38 If you have a loss, you **MUST** answer this question. "Do you have amounts for which you are not at risk in this business?" (See Instructions.) ☐ Yes ☐ No
If "Yes," you **MUST** attach **Form 6198**. If "No," enter the loss on Form 1040, line 18, and on Schedule SE, line 1.

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule F (Form 1040) 1987**

Part III Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include them on line 47 below.

39	Sales of livestock, produce, grains, and other products during year		39
40a	Total distributions received from cooperatives (from Form 1099-PATR)	40a	
b	**Less:** Nonincome items	40b	
41	Net distributions. Subtract line 40b from line 40a		41
42	Agricultural program payments		
a	Cash		42a
b	Materials and services		42b
43	Commodity credit loans under election (or forfeited)		43
44	Machine work (custom hire) income		44
45	Other income, including Federal and state gasoline tax credit or refund (see Instructions)		45
46	**Total.** Add amounts on lines 39 and 41 through 45		46
47	Inventory of livestock, produce, grains, and other products at beginning of year	47	
48	Cost of livestock, produce, grains, and other products purchased during year	48	
49	Add lines 47 and 48	49	
50	Inventory of livestock, produce, grains, and other products at end of year	50	
51	Cost of livestock, produce, grains, and other products sold. Subtract line 50 from line 49*		51
52	**Gross income.** Subtract line 51 from line 46. Enter here and on Part I, line 12 ▶		52

*If you use the unit-livestock price method or the farm-price method of valuing inventory and the amount on line 50 is larger than the amount on line 49, subtract line 49 from line 50. Enter the result on line 51 and add lines 46 and 51. Enter the total on line 52.

Part IV Principal Agricultural Activity Codes

Select one of the following codes and write the 3-digit number on line B on page 1 of this schedule. (**Note:** *If your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, you should file* **Schedule C** *(Form 1040), Profit or (Loss) From Business or Profession.*)

120	**Field crop,** including grains and nongrains such as cotton, peanuts, feed corn, wheat, tobacco, Irish potatoes, etc
160	**Vegetables and melons,** garden-type vegetables and melons, such as sweet corn, tomatoes, squash, etc
170	**Fruit and tree nuts,** including grapes, berries, olives, etc
180	**Ornamental floriculture and nursery products**
185	**Food crops grown under cover,** including hydroponic crops
211	**Beefcattle feedlots**
212	**Beefcattle,** except feedlots
215	**Hogs, sheep, and goats**
240	**Dairy**
250	**Poultry and eggs,** including chickens, ducks, pigeons, quail, etc
260	**General livestock,** not specializing in any one livestock category
270	**Animal specialty,** including fur-bearing animals, pets, horses, etc
280	**Animal aquaculture,** including fish, shellfish, mollusks, frogs, etc., produced within confined space
290	**Forest products,** including forest nurseries and seed gathering, extraction of pine gum, and gathering of forest products
300	**Agricultural production,** not specified

☆ U.S.G.P.O. 1987-183-108

Schedule R (Form 1040)

Department of the Treasury Internal Revenue Service (0)

Credit for the Elderly or for the Permanently and Totally Disabled

▶ For Paperwork Reduction Act Notice, see separate Instructions.

▶ Attach to Form 1040. ▶ See separate Instructions for Schedule R.

OMB No 1545-0074

1987

Attachment Sequence No 17

Name(s) as shown on Form 1040 | Your social security number

You may be able to use Schedule R to reduce your tax if by the end of 1987:

- You were 65 or over, **OR**
- You were under 65, you retired on permanent and total disability, and you received taxable disability income

Even if one of the situations described above applies to you, you must meet other tests to be able to take the credit on Schedule R See the separate Schedule R Instructions for details.

Note: *In most cases IRS can figure this credit for you. See page 15 of the Form 1040 Instructions.*

Part I Check the Box That Applies to Your Filing Status and Age (Check only one box)

If your filing status is:	And by the end of 1987:	Check box:
Single*	1 You were 65 or over	1 ☐
	2 You were under 65 and you retired on permanent and total disability	2 ☐
* Includes Head of household and Qualifying widow(er) with dependent child		
Married filing a joint return	3 Both spouses were 65 or over	3 ☐
	4 Both spouses were under 65, but only one spouse retired on permanent and total disability	4 ☐
	5 Both spouses were under 65, and both retired on permanent and total disability	5 ☐
	6 One spouse was 65 or over, and the other spouse was under 65 and retired on permanent and total disability	6 ☐
	7 One spouse was 65 or over, and the other spouse was under 65 and **NOT** retired on permanent and total disability	7 ☐
Married filing a separate return	8 You were 65 or over, and you did not live with your spouse at any time in 1987	8 ☐
	9 You were under 65, you retired on permanent and total disability, and you did not live with your spouse at any time in 1987	9 ☐

Note: *If you checked the box on line 1, 3, 7, or 8, skip Part II and complete Part III If you checked the box on line 2, 4, 5, 6, or 9, complete Parts II and III*

Part II Statement of Permanent and Total Disability (Complete only if you checked the box on line 2, 4, 5, 6, or 9 above)

IF: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician checked Box B on the statement, **AND**

2 Due to your continued disabled condition you were unable to engage in any substantial gainful activity in 1987, check this box ▶ ☐

If you checked this box, you do not have to file another statement for 1987. If you did not check this box, have your physician complete the following statement

Physician's Statement

I certify that _____
Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, **OR** was permanently and totally disabled on the date he or she retired Date retired if retired after December 31, 1976. ▶ _____

Physician. Sign your name on **either** line A or B below and check the box to the right of your signature

A The disability has lasted, or can be expected to last, continuously for at least a year _____ Physician's signature _____ Date A ☐

B There is no reasonable probability that the disabled condition will ever improve _____ Physician's signature _____ Date B ☐

Physician's name | Physician's address

Instructions for Statement

Taxpayer

Enter in the space provided the date you retired if you retired after December 31, 1976

Physician

A person is permanently and totally disabled when—

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition; and
- A physician determines that the disability
  1. has lasted, or can be expected to last, continuously for at least a year; or
  2. can be expected to lead to death.

(Continued on back)

Part III Figure the Amount of Your Credit

10 Enter $5,000 if you checked the box on line 1, 2, 4, or 7 in Part I, **OR** $7,500 if you checked the box on line 3, 5, or 6 in Part I, **OR** $3,750 if you checked the box on line 8 or 9 in Part I. — 10

Caution: *If you checked the box on line 2, 4, 5, 6, or 9 in Part I, you **MUST** complete line 11 below Otherwise, skip line 11 and enter the amount from line 10 on line 12.*

11 Enter on this line your taxable disability income (and also your spouse's if you checked the box on line 5 in Part I) that you reported on Form 1040. However, if you checked the box on line 6 in Part I, enter on this line the taxable disability income of the spouse who was under age 65 **PLUS** $5,000. (For more details on what to include, see the Instructions.) — 11

12 If you completed line 11 above, compare the amounts on lines 10 and 11, and enter the **smaller** of the two amounts on this line Otherwise, enter the amount from line 10 on this line — 12

13 Enter the following pensions, annuities, or disability income that you (and your spouse if you file a joint return) received in 1987.

a Nontaxable part of social security benefits — 13a

b Nontaxable part of railroad retirement benefits treated as social security ; and
Nontaxable veterans' pensions; and
Any other pension, annuity, or disability benefit that is excluded from income under any other provision of law — 13b

c Add lines 13a and 13b. (Even though these income items are not subject to income tax, they **must** be included to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c — 13c

14 Enter the amount from Form 1040, line 31 — 14

15 Enter $7,500 if you checked the box on line 1 or 2 in Part I, **OR** $10,000 if you checked the box on line 3, 4, 5, 6, or 7 in Part I, **OR** $5,000 if you checked the box on line 8 or 9 in Part I — 15

16 Subtract line 15 from line 14 Enter the result. If line 15 is more than line 14, enter -0- — 16

17 Divide the amount on line 16 by 2 Enter the result — 17

18 Add lines 13c and 17 Enter the total — 18

19 Subtract line 18 from line 12. Enter the result If the result is zero or less, stop here, you **cannot** take the credit Otherwise, go on to line 21 — 19

20 Percentage used to figure the credit — 20 × 15

21 Multiply the amount on line 19 by the percentage (.15) on line 20 and enter the result. If you do not file Schedule C, D, E, or F (Form 1040) enter the amount from line 21 on Form 1040, line 41 Otherwise, see the instructions to determine if your credit may be further limited — 21

☆ U.S.G.P.O. 1987 - 183-116

SCHEDULE SE (Form 1040)
Department of the Treasury
Internal Revenue Service

Computation of Social Security Self-Employment Tax

▶ See Instructions for Schedule SE (Form 1040).
▶ Attach to Form 1040

OMB No 1545-0074
1987
Attachment Sequence No **18**

Name of person with **self-employment** income (as shown on social security card) | Social security number of person with **self-employment** income ▶

A If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner, AND you filed Form 4361, then DO NOT file Schedule SE Instead, write "Exempt-Form 4361" on Form 1040, line 48 However, if you filed Form 4361 but have $400 or more of other earnings subject to self-employment tax, continue with Part I and check here ▶ ☐

B If you filed Form 4029 and have received IRS approval, DO NOT file Schedule SE Write "Exempt-Form 4029" on Form 1040, line 48

C If your only earnings subject to self-employment tax are wages from an electing church or church-controlled organization that is exempt from employer social security taxes and you are not a minister or a member of a religious order, skip lines 1–8 Enter zero on line 9 Continue with line 11a

Part I Regular Computation of Net Earnings From Self-Employment

1 Net farm profit (or loss) from Schedule F (Form 1040), line 37, and farm partnerships, Schedule K-1 (Form 1065), line 14a | 1

2 Net profit (or loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a (other than farming) (See Instructions for other income to report) Employees of an electing church or church-controlled organization DO NOT enter your Form W-2 wages on line 2 See the Instructions | 2

Part II Optional Computation of Net Earnings From Self-Employment (See "Who Can Use Schedule SE" in the Instructions)

See Instructions for limitations Generally, this part may be used **only** if you meet any of the following tests

A Your **gross** farm income[1] was not more than $2,400, **or**

B Your **gross** farm income[1] was more than $2,400 and your **net** farm profits[2] were **less** than $1,600, **or**

C Your **net** nontarm profits[3] were less than $1,600 and your **net** nontarm profits[3] were also **less** than two-thirds (⅔) of your **gross** nontarm income[4]

Note. *If line 2 above is two-thirds (⅔) or more of your gross nontarm income[4] or, if line 2 is $1,600 or more, you may not use the optional method*

[1]From Schedule F (Form 1040), line 12 and Schedule K-1 (Form 1065), line 14b [3]From Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a
[2]From Schedule F (Form 1040), line 37 and Schedule K-1 (Form 1065) line 14a [4]From Schedule C (Form 1040) line 5, and Schedule K-1 (Form 1065), line 14c

3 Maximum income for optional methods | 3 | $1,600 | 00

4 Farm Optional Method—If you meet test A or B above, enter the **smaller of:** two-thirds (⅔) of gross farm income from Schedule F (Form 1040), line 12 and farm partnerships, Schedule K-1 (Form 1065), line 14b, **or** $1,600 | 4

5 Subtract line 4 from line 3 | 5

6 Nontarm Optional Method—If you meet test C above, enter the **smallest of:** two-thirds (⅔) of gross nontarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 14c (other than farming), **or** $1,600, **or**, if you elected the farm optional method, the amount on line 5 | 6

Part III Computation of Social Security Self-Employment Tax

7 Enter the amount from Part I, line 1, **or**, if you elected the farm optional method, Part II, line 4 | 7

8 Enter the amount from Part I, line 2, **or**, if you elected the nontarm optional method, Part II, line 6 | 8

9 Add lines 7 and 8 If less than $400 do not file this schedule (Exception If you are an employee of an electing church or church controlled organization and the total of lines 7 and 8 is less than $400, enter zero and complete the rest of this schedule) | 9

10 The largest amount of combined wages and self employment earnings subject to social security or railroad retirement tax (tier 1) for 1987 is | 10 | $43,800 | 00

11a Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1) **Note:** *Medicare qualified government employees whose wages are only subject to the 1 45% medicare (hospital insurance benefits) tax and employees of certain church or church-controlled organizations should not include those wages on this line (See Instructions)* | 11a

b Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (tier 1) | 11b

c Add lines 11a and 11b | 11c

12a Subtract line 11c from line 10 (If zero or less, enter zero) | 12a

b Enter your medicare qualified government wages if you are required to use the worksheet in Part III of the Instructions | 12b

c Enter your Form W-2 wages of $100 or more from an electing church or church-controlled organization | 12c

d Add lines 9 and 12c | 12d

13 Enter the smaller of line 12a or line 12d | 13
If line 13 is $43,800, enter $5,387 40 on line 14 Otherwise multiply line 13 by .123 and enter the result on line 14 | × .123

14 Self employment tax Enter this amount on Form 1040, line 48 | 14

For Paperwork Reduction Act Notice, see Form 1040 Instructions. • U.S. Government Printing Office 1987 183-122 **Schedule SE (Form 1040) 1987**

Form **2441**
Department of the Treasury
Internal Revenue Service (U)

Credit for Child and Dependent Care Expenses

▶ Attach to Form 1040.
▶ See instructions below.

OMB No 1545-0068
1987
Attachment Sequence No **23**

Name(s) as shown on Form 1040 | Your social security number

Note *If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home you must file an employment tax return Get* **Form 942** *for details*

1 Enter number of qualifying persons who were cared for in 1987 (See instructions for definition of qualifying persons) ▶ | 1

2 Enter the amount of **qualified** expenses you incurred and actually paid in 1987 for the care of the qualifying person (See **What Are Qualified Expenses** in the instructions) **Do not** enter more than $2,400 ($4,800 if you paid for the care of two or more qualifying persons) | 2

3a You **must** enter your earned income on line 3a See line 3 instructions for definition of earned income | 3a

b If you are married, filing a joint return for 1987, you must enter your spouse's earned income on line 3b (If spouse is a full-time student or is disabled, see the line 3 instructions for amount to enter) | 3b

c If you are married filing a joint return, compare the amounts on lines 3a and 3b, and enter the **smaller** of the two amounts on line 3c | 3c

4 • If you were unmarried at the end of 1987, compare the amounts on lines 2 and 3a, and enter the **smaller** of the two amounts on line 4
• If you are married filing a joint return, compare the amounts on lines 2 and 3c, and enter the **smaller** of the two amounts on line 4 | 4

5 Enter percentage from table below that applies to the adjusted gross income on Form 1040, line 31 | 5 | ×

If line 31 is Over—	But not over—	Percentage is:	If line 31 is Over—	But not over—	Percentage is:
$0	10,000	30% (.30)	$20,000	22,000	24% (.24)
10,000	12,000	29% (.29)	22,000	24,000	23% (.23)
12,000	14,000	28% (.28)	24,000	26,000	22% (.22)
14,000	16,000	27% (.27)	26,000	28,000	21% (.21)
16,000	18,000	26% (.26)	28,000		20% (.20)
18,000	20,000	25% (.25)			

6 Multiply the amount on line 4 by the percentage shown on line 5, and enter the result | 6

7 Multiply any child and dependent care expenses for 1986 that you paid in 1987 by the percentage that applies to the adjusted gross income on your 1986 Form 1040, line 33, or Form 1040A, line 15 Enter the result (See line 7 instructions for the required statement) | 7

8 Add amounts on lines 6 and 7 See the worksheet in the instructions for line 8 for the amount of credit you can claim | 8

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax You are required to give us this information

What Is the Child and Dependent Care Expenses Credit?

You may be able to take a tax credit for amounts you paid someone to care for your child or other qualifying person so you could work or look for work in 1987 The most the credit may be is $720 for the care of one qualifying person, or $1,440 for the care of two or more qualifying persons

Additional information.—For more details, please get **Publication 503**, Child and Dependent Care Credit, and Employment Taxes for Household Employers

Who Is a Qualifying Person?

A qualifying person is

• Any person under age 15 whom you claim as a dependent (but see the rule for **Children of divorced or separated parents**)

• Your disabled spouse who is mentally or physically unable to care for himself or herself

• Any disabled person who is mentally or physically unable to care for himself or herself and whom you claim as a dependent, or could claim as a dependent except that he or she had income of $1,900 or more

Note: *You must have shared the same home with any person you claim as a qualifying person*

Children of divorced or separated parents.—If you were divorced, legally separated, or lived apart from your spouse during the last 6 months of 1987, you may be able to claim the credit even if your child is not your dependent If your child is not your dependent, he or she is a qualifying person if **all five** of the following apply

1. You had custody of the child for the longer period during the year, and
2. The child received over half of his or her support from one or both of the parents, and
3. The child was in the custody of one or both of the parents over half of the year, and
4. The child was under age 15, or was physically or mentally unable to care for himself or herself, and
5. The child is not your dependent because—

a. As the custodial parent, you have signed **Form 8332**, Release of Claim to Exemption for Child of Divorced or Separated Parents, or a similar statement, agreeing not to claim the child's exemption for 1987 or

b. You were divorced or separated before 1985 and your divorce decree or written agreement states that the other parent can claim the child's exemption, and the other parent provides at least $600 in child support during the year **Note:** *This rule does not apply if your decree or agreement was changed after 1984 to specify that the other parent cannot claim the child's exemption*

Who May Take the Credit?

To claim the credit, **all five** of the following must apply

1. You paid for the care so you (and your spouse if you were married) could work or look for work (but see the rules at the line 3 instructions for **Spouse who is a full-time student or is disabled**).
2. You and the qualifying person(s) lived in the same home
3. You (and your spouse if you were married) paid over half the cost of keeping up your home The cost includes rent, mortgage interest, property taxes, utilities, home repairs, and food eaten at home

(Continued on back)

Form **3800**
Department of the Treasury
Internal Revenue Service

General Business Credit

▶ Attach to your tax return.

OMB No 1545-0895
1987
Attachment Sequence No 25

Name(s) as shown on return | Identifying number

Part I Tentative Credit

1	Investment credit (Form 3468, line 8)	1	
2	Jobs credit (Form 5884, line 7)	2	
3	Credit for alcohol used as fuel (Form 6478, line 11)	3	
4	Credit for increasing research activities (Form 6765, line 25)	4	
5	Low-income housing credit (Form 8586, line 8)	5	
6	**Current year general business credit**—Add lines 1 through 5	6	
7	Carryforward of general business credit (or investment (see instructions), WIN, jobs, alcohol fuel, research, ESOP, or low-income housing credits)	7	
8	Carryback of general business credit to 1987	8	
9	Tentative general business credit—Add lines 6, 7, and 8	9	

Part II Tax Liability Limitations

10a	Individuals—From Form 1040, enter amount from line 43		
b	Corporations —From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1)		
c	Other filers—Enter income tax before credits from return	10	
11a	Individuals—From Form 1040, enter credit from line 44, plus any orphan drug and nonconventional source fuel credits included on line 46		
b	Corporations—From Form 1120, Schedule J, enter credits from lines 4(a) through 4(d) (Form 1120-A filers, enter zero)		
c	Other filers—See instructions for line 11c	11	
12	Income tax liability as adjusted—Subtract line 11 from line 10	12	
13	Tentative minimum tax—		
a	Individuals—From Form 6251, enter amount from line 17		
b	Corporations—From Form 4626, enter amount from line 19		
c	Estates and Trusts—From Form 8656, enter amount from line 20	13	
14	Excess of income tax liability over tentative minimum tax—Subtract line 13 from line 12	14	
15a	Enter smaller of line 12 or $25,000 (see instructions for line 15)	15a	
b	If line 12 is more than $25,000—Enter 75% of the excess	15b	
16	Add lines 15a and 15b	16	
17	General business credit—Enter smallest of line 9, line 14, or line 16 (corporations, see instructions) here and on Form 1040, line 45, Form 1120, Schedule J, line 4(e); Form 1120-A, Part I, line 2; or the proper line on other returns	17	

General Instructions

(Section references are to the Internal Revenue Code.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Changes You Should Note.—The Tax Reform Act of 1986 changed the alternative minimum tax rules for the general business credits. This will require an additional tax liability limitation computation on lines 13 and 14. The Act also repealed the Employee Stock Ownership Plan (ESOP) credit as of 12-31-86.

If you have credits from passive activities, see **Form 8582-CR**, Passive Activity Credit Limitations, before completing Form 3800.

Purpose of Form.—The general business credit consists of the investment credit (Form 3468), jobs credit (Form 5884), alcohol fuel credit (Form 6478), research credit (Form 6765), and low-income housing credit (Form 8586). If you have more than one of these credits, or a carryback or carryforward of any of these credits, you must attach the appropriate credit forms and summarize them here on Form 3800. *If you have only one of these credits for 1987, you do not have to file Form 3800. Instead, use only that particular form to claim the credit.* For example, if you have only a 1987 investment credit, you may use Form 3468 to claim your credit. You do not have to file Form 3800 in this case.

You do not have to take the jobs or alcohol fuel credits if you do not wish to.

For more information on the investment credit, see **Form 3468**, Computation of Investment Credit, or **Publication 572**, General Business Credit.

For more information on the jobs credit, see **Form 5884**, Jobs Credit, or Publication 572.

For more information on the alcohol fuel credit, see **Form 6478**, Credit for Alcohol Used as Fuel.

For more information on the research credit, see **Form 6765**, Credit for Increasing Research Activities (or for claiming the orphan drug credit), or Publication 572.

For more information on the low-income housing credit, see **Form 8586**, Low-Income Housing Credit, or Publication 572.

Carryback and Carryforward of Unused Credit.—If you cannot use part or all of the credit on line 6 because of the tax liability limitations, you may carry any excess back to each

(Continued on back)

Form **6251**
Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax—Individuals

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1040NR. Estates and trusts, use Form 8656.

OMB No 1545 0227
1987
Attachment Sequence No 32

Name(s) as shown on Form 1040 | Your social security number

1	Taxable income from Form 1040, line 36 (can be less than zero)		1	
2	Net operating loss deduction (Do not enter as a negative amount)		2	
3	Add lines 1 and 2		3	
4	**Adjustments:** (See instructions before completing.)			
a	Standard deduction from Form 1040, line 33b	4a		
b	Medical and dental expense	4b		
c	Miscellaneous itemized deductions from Schedule A, line 24	4c		
d	Taxes from Schedule A, line 8	4d		
e	Interest from Schedule A, line 12b	4e		
f	Other interest adjustments	4f		
g	Depreciation of property placed in service after 1986	4g		
h	Circulation and research and experimental expenditures paid or incurred after 1986	4h		
i	Mining exploration and development costs paid or incurred after 1986	4i		
j	Long-term contracts entered into after 2/28/86	4j		
k	Pollution control facilities placed in service after 1986	4k		
l	Installment sales of certain property	4l		
m	Basis adjustment	4m		
n	Certain loss limitations	4n		
o	Tax shelter farm loss	4o		
p	Passive activity loss	4p		
q	Beneficiaries of estates and trusts	4q		
r	Personal exemptions (see instructions)	4r		
s	Total adjustments (combine lines 4a through 4r)		4s	
5	**Tax preference items:** (See instructions before completing.)			
a	Accelerated depreciation of real property placed in service before 1987	5a		
b	Accelerated depreciation of leased personal property placed in service before 1987	5b		
c	Amortization of certified pollution control facilities placed in service before 1987	5c		
d	Appreciated property charitable deduction	5d		
e	Incentive stock options	5e		
f	Tax-exempt interest from private activity bonds issued after August 7, 1986	5f		
g	Intangible drilling costs	5g		
h	Depletion	5h		
i	Reserves for losses on bad debts of financial institutions	5i		
j	Total tax preference items (add lines 5a through 5i)		5j	
6	Combine lines 3, 4s, and 5j		6	
7	Alternative tax net operating loss deduction (Do not enter more than 90% of line 6.)		7	
8	Alternative minimum taxable income (subtract line 7 from line 6)		8	
9	Enter. $40,000 ($20,000 if married filing separately; $30,000 if single or head of household)		9	
10	Enter: $150,000 ($75,000 if married filing separately; $112,500 if single or head of household)		10	
11	Subtract line 10 from line 8 If zero or less, enter zero		11	
12	Multiply line 11 by 25% (.25)		12	
13	Subtract line 12 from line 9 If zero or less, enter zero		13	
14	Subtract line 13 from line 8 If zero or less, enter zero		14	
15	Multiply line 14 by 21% (.21)		15	
16	Alternative minimum tax foreign tax credit		16	
17	Tentative minimum tax (subtract line 16 from line 15)		17	
18	Regular tax before credits (Form 1040, line 37) minus foreign tax credit (Form 1040, line 44)		18	
19	Alternative minimum tax (subtract line 18 from line 17) Enter on Form 1040, line 49		19	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562**

Department of the Treasury
Internal Revenue Service (0)

Depreciation and Amortization

▶ See separate instructions
▶ Attach this form to your return

OMB No 1545 0172
1987
Attachment Sequence No **67**

Name(s) as shown on return

Identifying number

Business or activity to which this form relates

Part I **Depreciation** (Do not use this part for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement. Instead, use Part III.)

Section A.—Election To Expense Depreciable Assets Placed In Service During This Tax Year (Section 179)

	(a) Description of property	(b) Date placed in service	(c) Cost	(d) Expense deduction
1				

2 Listed property—Enter total from Part III, Section A, column (h)
3 Total (add lines 1 and 2, but do not enter more than $10,000)
4 Enter the amount, if any, by which the cost of all section 179 property placed in service during this tax year is more than $200,000
5 Subtract line 4 from line 3. If result is less than zero, enter zero. (See instructions for other limitations.)

Section B.—Depreciation

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
6 Accelerated Cost Recovery System (ACRS) (see instructions) *For assets placed in service* **ONLY** *during tax year beginning in 1987*					
a 3-year property					
b 5-year property					
c 7-year property					
d 10-year property					
e 15-year property					
f 20-year property					
g Residential rental property					
h Nonresidential real property					

7 Listed property—Enter total from Part III, Section A, column (g)
8 ACRS deduction for assets placed in service prior to 1987 (see instructions)

Section C.—Other Depreciation

9 Property subject to section 168(f)(1) election (see instructions)
10 Other depreciation (see instructions)

Section D.—Summary

11 Total (add deductions on lines 5 through 10). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 5.)
12 For assets above placed in service during the current year, enter the portion of the basis attributable to additional section 263A costs. (See instructions for who must use.)

Part II **Amortization**

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service **only** during tax year beginning in 1987					
2 Amortization for property placed in service prior to 1987					
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					

See Paperwork Reduction Act Notice on page 1 of the separate instructions. • U.S. GPO 1987 — 183-246 Form **4562** (1987)

Part III **Automobiles, Certain Other Vehicles, Computers, and Property Used for Entertainment, Recreation, or Amusement (Listed Property).**
If you are using the standard mileage rate or deducting vehicle lease expense, complete columns (a) through (d) of Section A, all of Section B, and Section C if applicable.

Section A.—Depreciation (If automobiles and other listed property placed in service after June 18, 1984 are used 50% or less in a trade or business, the Section 179 deduction is not allowed and depreciation must be taken using the straight line method over 5 years. For other limitations, see instructions.)

Do you have evidence to support the business use claimed? ☐ Yes ☐ No If yes, is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business use percentage (%)	(d) Cost or other basis (see instructions for leased property)	(e) Basis for depreciation (Business use only—see instructions)	(f) Depreciation method and recovery period	(g) Depreciation deduction	(h) Section 179 expense
Total (Enter here and on line 2, page 1.)							
Total (Enter here and on line 7, page 1.)							

Section B.—Information Regarding Use of Vehicles
Complete this section as follows, if you deduct expenses for vehicles:
- *Always complete this section for vehicles used by a sole proprietor, partner, or other more than 5% owner or related person.*
- *If you provided vehicles to employees, first answer the questions in Section C to see if you meet an exception to completing this section for those items.*

	Vehicle 1		Vehicle 2		Vehicle 3		Vehicle 4		Vehicle 5		Vehicle 6	
1 Total miles driven during the year												
2 Total business miles driven during the year												
3 Total commuting miles driven during the year												
4 Total other personal (noncommuting) miles driven												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
5 Was the vehicle available for personal use during off-duty hours?												
6 Was the vehicle used primarily by a more than 5% owner or related person?												
7 Is another vehicle available for personal use?												

Section C.—Questions for Employers Who Provide Vehicles for Use by Employees.
(Answer these questions to determine if you meet an exception to completing Section B. **Note:** *Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.)*

	Yes	No
8 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
9 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)		
10 Do you treat all use of vehicles by employees as personal use?		
11 Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles?		
12 Do you meet the requirements concerning fleet vehicles or qualified automobile demonstration use (see instructions)? **Note:** *If your answer to 8, 9, 10, 11, or 12 is "Yes," you need not complete Section B for the covered vehicles.*		

Form **8582**

Department of the Treasury
Internal Revenue Service (0)

Passive Activity Loss Limitations

▶ See separate instructions.
▶ Attach to Forms 1040, 1041, or 1120 (Personal service corporation and closely held C corporations).

OMB No. 1545-1008
1987
Attachment Sequence No **88**

Name(s) as shown on return | Social security or employer identification number

Part I **Computation of 1987 Passive Activity Loss**
Caution: See the worksheets on page 4 of the instructions before completing Part I.

Rental Real Estate Activities With Active Participation (See the definition of active participation under **Rental Activities** on page 2 of the instructions.)

	Activities acquired before 10-23-86:			
1a	Activities with net income	1a		
1b	Activities with net loss	1b		
1c	Combine lines 1a and 1b	1c		
	Activities acquired after 10-22-86:			
1d	Activities with net income	1d		
1e	Activities with net loss	1e		
1f	Combine lines 1d and 1e	1f		
1g	Net income or (loss). Combine lines 1c and 1f		1g	

All Other Passive Activities (See **Lines 2a through 2g** on page 4 of the instructions.)

	Activities acquired before 10-23-86:			
2a	Activities with net income	2a		
2b	Activities with net loss	2b		
2c	Combine lines 2a and 2b	2c		
	Activities acquired after 10-22-86:			
2d	Activities with net income	2d		
2e	Activities with net loss	2e		
2f	Combine lines 2d and 2e	2f		
2g	Net income or (loss). Combine lines 2c and 2f		2g	
3	Combine lines 1g and 2g. If the result is net income, see the instructions for line 3. If this line and line 1g are both losses, go to line 4. Otherwise, enter -0- on line 9 and go to line 10		3	

Part II **Computation of the Special Allowance for Rental Real Estate With Active Participation**
Note: *Before completing Parts II and III, see page 4 of the instructions for how to treat numbers as if they were all positive*

4	Enter the smaller of the loss on line 1g or the loss on line 3		4	
5	Enter $150,000 ($75,000 if married filing separately and you lived apart for the entire year)	5		
6	Enter modified adjusted gross income, but not less than -0- (see instructions). If line 6 is equal to or greater than line 5, skip lines 7 and 8, enter -0- on line 9, and then go to line 10. Otherwise, go to line 7	6		
7	Subtract line 6 from line 5	7		
8	Multiply line 7 by 50% (.5) **Do not** enter more than $25,000 ($12,500 if married filing separately and you lived apart for the entire year)		8	
9	Enter the smaller of line 4 or line 8		9	

Part III **Computation of Passive Activity Loss Allowed**

10	Combine lines 1c and 2c and enter the result. If the result is -0- or net income, skip to line 16. (See instructions.)	10	
11a	If line 9 is -0-, enter -0- on line 11 and go to line 12		
11b	If line 1c shows income, has no entry, or shows -0-, enter -0- on line 11. Otherwise, enter the smaller of line 1c or line 8	11	
12	Subtract line 11 from line 10. If line 11 is equal to or greater than line 10, enter -0-	12	
13	Subtract line 9 from line 3	13	
14	Enter the smaller of line 12 or line 13	14	
15	Multiply line 14 by 65% (.65) and enter the result	15	
16	Enter the amount from line 9	16	
17	**Passive Activity Loss Allowed for 1987.** Add lines 15 and 16	17	
18	Add the income, if any, on lines 1a, 1d, 2a, and 2d and enter the result	18	
19	**Total losses allowed from all passive activities for 1987.** Add lines 17 and 18. See page 5 of the instructions to see how to report the losses on your tax return	19	

For Paperwork Reduction Act Notice, see separate instructions.

Form **8582** (1987)

☆ U.S. Government Printing Office 1987—183-419 33-0916750

Form **8606**

Department of the Treasury
Internal Revenue Service (0)

Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions

▶ Please see Recordkeeping Requirements on back.
▶ Attach to Form 1040, Form 1040A, or Form 1040NR.

OMB No 1545-1007
1987
Attachment Sequence No **86**

Purpose of Form

The Tax Reform Act of 1986 allows you to make nondeductible contributions to your IRA. You may wish to do this, for example, if all or part of your contributions are no longer deductible because of the new income limitations for IRAs.

If you choose to make nondeductible contributions to your IRA, you must report the amount of the contributions that you choose to be nondeductible. Line 3 of Form 8606 is used for this purpose. First figure the amount of your deductible contributions using the Instructions for Form 1040 or Form 1040A, whichever applies to you. You should then report on Form 8606 the amount you choose to be nondeductible.

When you receive distributions (withdrawals) from your IRA, the part attributable to nondeductible contributions will not be taxable. Form 8606 is used to figure an amount called "basis" (which includes the part of your IRA that is from nondeductible contributions). The form is also used to figure the nontaxable part of any distributions you receive. If you received any distributions in 1987, line 12 will show the amount that is not taxable.

Line 13 of the form reflects the "basis" in your IRA as of 12/31/87. This amount will be used on Form 8606 in future years if you make nondeductible IRA contributions or receive distributions in those years.

Name (If married, file a separate Form 8606 for each spouse. See instructions.) | **Your social security number**

Present home address (number and street) (or P. O. Box number if mail is not delivered to street address)

City, town or post office, state, and ZIP code

			Value on 12/31/87
1	Enter name of trustee and value of all your IRAs (attach list if more than three)—Name of trustee (bank, credit union, mutual fund, etc.)		
a		1a	
b		1b	
c		1c	
2	Total value of all IRAs. Add lines 1a through 1c	2	
3	Enter your IRA contributions for 1987 that you choose to be nondeductible. (Include those made during 1/1/88–4/15/88 that were for 1987.) (See instructions.)	3	
4	Enter only those contributions included on line 3 that were made during 1/1/88–4/15/88. (See instructions.)	4	
5	Subtract line 4 from line 3 and enter the result. (The result may be zero if all of your nondeductible contributions for 1987 were made in 1988 by 4/15/88. Please continue.)	5	
6	Adjustments (See instructions.)	6	
7	Combine lines 5 and 6 and enter the result. If you did not receive any IRA distributions (withdrawals) in 1987, skip lines 8 through 12 and enter the amount (or zero, if applicable) from line 7 on line 13	7	
8	Enter the value of all your IRAs as of 12/31/87 (from line 2). Include any outstanding rollovers (See instructions.)	8	
9	Enter total IRA distributions received during 1987. Do not include amounts rolled over before 1/1/88 (See instructions.)	9	
10	Add lines 8 and 9 and enter the total	10	
11	Divide line 7 by line 10 and enter the result as a decimal (to two places)	11 .	
12	Multiply line 9 by the decimal amount on line 11 and enter the result. This is the amount of your nontaxable distributions for 1987. (See instructions.) ▶	12	
13	Subtract line 12 from line 7 and enter the result. This is the basis in your IRA(s) as of 12/31/87 ▶	13	

Please Sign Here — Under penalties of perjury, I declare that I have examined this form, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete.

▶ Your signature ▶ Date

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Who Must File.—You must file Form 8606 for 1987 if you make nondeductible contributions to your IRA(s). If you and your spouse each choose to make nondeductible IRA contributions, you each must file a Form 8606.

Report your deductible contributions on Form 1040, Form 1040A, or Form 1040NR and not on Form 8606.

When and Where To File.—Attach Form 8606 to your 1987 Form 1040, Form 1040A, or Form 1040NR.

If you do not have to file an income tax return because you do not meet the requirements for filing a return, you still have to file a Form 8606 with the Internal Revenue Service at the time and place you would normally be required to file Form 1040, Form 1040A, or Form 1040NR.

Form **8606** (1987)

Form **8615**

Department of the Treasury
Internal Revenue Service

Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000

▶ See instructions below and on back.
▶ Attach ONLY to the Child's Form 1040, Form 1040A, or Form 1040NR.

OMB No 1545-0998

1987

Attachment Sequence No **33**

General Instructions

Purpose of Form. Before 1987, the tax law allowed income-producing property to be given to children so that the investment income from the property could be taxed at the children's lower tax rate. The law was changed for 1987 and later years so that, for children under age 14, investment income (such as taxable interest and dividends) over $1,000 will be taxed at the parent's rate if higher than the child's rate.

Do not use this form if the child's investment income is $1,000 or less. Instead, figure the tax in the normal manner on the child's income tax return. For example, if the child had $900 of taxable interest income and $200 of income from wages, Form 8615 is not required to be completed and the child's tax should be figured on Form 1040A using the Tax Table.

If the child's investment income is more than $1,000, use this form to see if any of the child's investment income is taxed at the parent's rate and, if so, to figure the child's tax. For example, if the child had $1,100 of taxable interest income and $200 of income from wages, Form 8615 should be completed and attached to the child's Form 1040A.

Investment Income. As used on this form, "investment income" includes all taxable income other than earned income as defined on page 2. It includes income such as taxable interest, dividends, capital gains, rents, royalties, etc. It also includes pension and annuity income and income (other than earned income) received as the beneficiary of a trust.

Who Must File. Generally, **Form 8615** must be filed for any child who was under age 14 on December 31, 1987, and who had more than $1,000 of investment income. However, if neither parent was alive on December 31, do not use Form 8615. Instead, figure the child's tax based on his or her own rate.

Additional Information. For more information about the tax on investment income of children, please get **Publication 929**, Tax Rules for Children and Dependents.

(Instructions continue on back.)

Child's name as shown on return | **Child's social security number**

Parent's name (first, initial, and last) (**Caution:** See instructions on back before completing.) | **Parent's social security number**

Parent's filing status (check one) ☐ Single, ☐ Married filing jointly, ☐ Married filing separately, ☐ Head of household, or ☐ Qualifying widow(er)

Step 1 **Figure child's net investment income**

1	Enter the child's investment income, such as taxable interest and dividend income (see instructions). (If this amount is $1,000 or less, stop here, do not file this form.)	1	
2	If the child DID NOT itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter $1,000. If the child ITEMIZED deductions, see the instructions.	2	
3	Subtract the amount on line 2 from the amount on line 1. Enter the result. (If zero or less, stop here, do not complete the rest of this form but ATTACH it to the child's return.)	3	
4	Enter the child's **taxable** income (from Form 1040, line 36; Form 1040A, line 17; or Form 1040NR, line 35)	4	
5	Compare the amounts on lines 3 and 4. Enter the **smaller** of the two amounts ▶	5	

Step 2 **Figure tentative tax based on the tax rate of the parent listed above**

6	Enter the parent's **taxable** income (from Form 1040, line 36, Form 1040A, line 17, Form 1040EZ, line 7, or Form 1040NR, line 35)	6	
7	Enter the total, if any, of the net investment income from Forms 8615, line 5, of ALL OTHER children of the parent. (Do not include the amount on line 5 above.)	7	
8	Add the amounts on lines 5, 6, and 7. Enter the total	8	
9	Tax on the amount on line 8 based on the **parent's** filing status (see instructions). Check if from ☐ Tax Table, ☐ Tax Rate Schedules, or ☐ Schedule D	9	
10	Enter the parent's tax (from Form 1040, line 37, Form 1040A, line 18, Form 1040EZ, line 9, or Form 1040NR, line 36). Check if from ☐ Tax Table, ☐ Tax Rate Schedules, or ☐ Schedule D	10	
11	Subtract the amount on line 10 from the amount on line 9. Enter the result. (If no amount is entered on line 7, enter the amount from line 11 on line 13; skip lines 12a and 12b.)	11	
12a	Add the amounts on lines 5 and 7. Enter the total. 12a		
b	Divide the amount on line 5 by the amount on line 12a. Enter the result as a decimal (to two places)	12b	x .
13	Multiply the amount on line 11 by the decimal amount on line 12b. Enter the result ▶	13	

Step 3 **Figure child's tax**

	Note: *If the amounts on lines 4 and 5 are the same, skip to line 16.*		
14	Subtract the amount on line 5 from the amount on line 4. Enter the result. 14		
15	Tax on the amount on line 14 based on the **child's** filing status (see instructions). Check if from ☐ Tax Table, ☐ Tax Rate Schedule X, or ☐ Schedule D	15	
16	Add the amounts on lines 13 and 15. Enter the total	16	
17	Tax on the amount on line 4 based on the **child's** filing status. Check if from ☐ Tax Table, ☐ Tax Rate Schedule X, or ☐ Schedule D	17	
18	Compare the amounts on lines 16 and 17. Enter the **larger** of the two amounts here and on Form 1040, line 37; Form 1040A, line 18; or Form 1040NR, line 36. Be sure to check the box for "Form 8615" ▶	18	

For Paperwork Reduction Act Notice, see back of form.

Form **8615** (1987)

References in the index are either to Table numbers or page numbers. Table numbers are in the format x.x (Table 1.1 would be "1.1") or letters (Table A would be "A"). Remaining references are to page numbers.

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